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House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore [Mr. HASTINGS of Washington].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
April 3, 1995.

I hereby designate the Honorable RICHARD "DOC" HASTINGS to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING BUSINESS

The SPEAKER pro tempore. Pursuant to the order of the House of January 4, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Florida [Mr. GOSS] for 5 minutes.

A THIRST FOR VENGEANCE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from Florida [Mr. GOSS] is recognized during morning business for 5 minutes.

Mr. GOSS. Mr. Speaker, this weekend Presidents Clinton and Aristide celebrated the very welcome end of the United States mission in Haiti in a very beautiful ceremony with warm congratulations, white doves and all. It was a wonderful photo opportunity and a good moment, especially, a good time to thank our troops who did an excel-

lent job. Again, one more time, our uniform forces have earned the respect and gratitude of the American people, each and every one of us. I hope, frankly, that those folks who are down in Haiti on that long mission are now scheduled for some R&R; they certainly earned it.

Mr. Speaker, I cannot help contrasting this with the harsh images of Madam Bertin, mother of four, organizer of a democratic opposition movement, savagely slaughtered in her car just before President Clinton's visit in what was clearly a political assassination, and a very brutal one, a murder our Pentagon has said is unquestionably linked to high level Aristide officials. Just one event, it stands out as a representation of things that are still in the making in Haiti regrettably: The vengeance that abides in some members of Haitian society and the still dangerous mission we have asked the thousands of American troops we still have there as part of the U.N. mission. I understand we have scheduled to have 2,500 American troops staying there until February of next year, possibly even some talk of them staying beyond that. In the meantime we still have more than 2,500 there as they withdraw and we assess the situation.

Mr. Speaker, Samuel Berger, our deputy national security adviser, maintains the real problem in Haiti these days is crime and it is, "at a level probably less than most cities around the world and in the United States." I am not sure that is a satisfactory standard and I am not sure that is a satisfactory explanation, because we are not talking about simple crime. What we are talking about seems to be a very deliberate campaign of vengeance against the non-Lavalas members of the Haitian political class at a time when they are gearing up for parliamentary elections and Presidential elections and it is a campaign that is being waged by

the Lavalas apparently with hired assassins, vigilante squads, and possibly even commandos operating under a shadow government of Rene Preval.

Mr. Speaker, this is a very serious business. People are getting killed and it is very anti-democratic business and we have just sacrificed a lot of taxpayers' money putting our armed services in harm's way to try to nourish democracy in that country.

In today's Washington Post, Robert Novak outlined some particularly disturbing items. We were told there is a hit list now of 30 people, 2 of whom have already been assassinated. We also know there is a second list, which seems to overlap the first, of people who are not permitted to leave Haiti. In other words, there are people in Haiti bent on vengeance who are going to run a canned backyard hunt. They are not going to let him get away, they are going to run him down and kill him.

In fact, the roughest seas may lay ahead as the wave of election cycles, the June to December period, arrive. On the eve of the President's visit, Human Rights Watch issued a report that points to the risks: "Political tensions are increasing and far from having brought stability, the U.S. led force can point only to a fragile security that impending parliamentary and presidential elections may rupture." Indeed, that is the fear.

Mr. Speaker, the new U.N. mission commander, who is U.S. General Kinzer, has already said he will be unable to answer the call for security for candidates and polling booths because, as he noted, "I don't have enough soldiers to do that."

What is the mission of the United Nations force in Haiti today? Good question. Generally it is to maintain order. Do they have the resources? Another good question we know that plan to spread fewer troops and less equipment

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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than the U.S. operation had in permanent deployments around the countryside.

We know that their rules of engagement will be more restrictive, including the facts that the troops are no longer authorized to use all necessary means. We know little more than that. I have asked the administration what the rules of engagement will be and I am eagerly awaiting a response, but if recent events are any indication, we do know one thing: The mission for our troops in Haiti is not going to get any easier or any safer.

Mr. Speaker, I understand that General Kinzer has now available a SWAT team to go out and do some things that go well beyond what is a traditional U.N. peacekeeping effort. A second thing we are going to need, besides an explanation of what troops are there and where they are to go and what the rules of engagement are as a report from the White House, we are going to need an explanation of just exactly what are the national security interests for the United States in Haiti today to justify spending \$2.5 billion over these some 2 years of trying to nourish democracy there and just exactly what justified putting over 20,000 assault combat troops in a friendly neighboring country. It has no designs of invasion on the United States of America.

Mr. Speaker, these are important questions that need answers from the White House and they need them now that we have had a successful conclusion of this in Haiti.

COMMENDING UCONN WOMEN'S BASKETBALL AND BROWN UNIVERSITY STUDENTS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentlewoman from Illinois [Mrs. COLLINS] is recognized during morning business for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, tonight many of us will watch the championship final of the NCAA men's basketball tournament. The matchup of last year's champion Arkansas Razorbacks and the return of the team with the most NCAA titles, the UCLA Bruins, will be an exciting conclusion to an excellent tournament.

However, nothing can be more exciting than yesterday's NCAA women's basketball championship game during which we saw the undefeated Connecticut Huskies come from behind in the final few minutes to defeat the Tennessee Volunteers. Led by honors student and player of the year, Rebecca Lobo, the Huskies became just the second women's basketball team to finish a season undefeated. Texas accomplished that feat in 1986. The Huskies did it before a sellout crowd of over 18,000 in Minnesota for 2 consecutive days, and television ratings were up 15 percent over last year.

The triumph of the Huskies came on the same weekend that there was an-

other triumph for women's sports, when the young women of Brown University continued their streak of courtroom victories against the university for the school's refusal to recognize its responsibilities under title IX to provide equal opportunity to men and women in school, both in the classroom and on the field.

I had the privilege of hearing the testimony of these women at a hearing before my subcommittee in the last Congress. They had been lured to the university with the promise of an opportunity to compete in gymnastics only to find out that their sport and women's volleyball were being eliminated to save \$77,000 a year.

They sued, and Brown vigorously defended. According to one published report, Brown paid \$100,000 to expert witnesses at the trial, so apparently the issue was not saving \$77,000. Despite the fact that the students have won at every stage of the process, Brown will continue to appeal.

Title IX issues are likely to resurface in this Congress. Although the law has been hampered through lack of enforcement in the eighties, it still remains one of the success stories of recent years. Since its enactment in 1972, women have found increasing opportunities in education, including college sports.

Despite its success, there is still a drumbeat of opposition in the college sports community, and it unfortunately comes primarily from college football coaches, who try to flame the fires that increased opportunities for women will lessen opportunities for men in college football and other sports.

Nothing could be further from the truth.

Since the enactment of title IX, it is true that participation by women has increased dramatically. Yet at the same time, the numbers of men participating in college sports also increased. Title IX has shown that increased opportunities for women do not come at the expense of men. Both sexes have fared well.

Football coaches will also argue that increasing opportunities will harm football, and that football should not be considered in evaluating compliance with title IX. This is utter nonsense.

It is time to put the truth on the table. With the exception of a handful of very successful Division 1-A football teams, most football programs are the schools' leading money losers. That should not be a surprise, when many schools travel with a team that is considerably larger than the Chicago Bears or other pro teams. Some schools even house their players in hotels before home games.

Title IX is not about taking away opportunities for men to compete in sports. It is about sharing resources fairly.

At the same hearing during which I heard from those Brown students, I also heard from a woman who was a

plaintiff in a title IX case involving women's hockey. Their budget, which was being eliminated, was equal to the budget for the men's hockey teams's sticks.

Many schools are making the transition to the increasing interest of women in sports, but some are not.

As the House begins to look at progress under title IX, there may be a silver lining in a new crop of freshman Members, who came here this year. I have found that an understanding of title IX and college sports is very much generational. Parents with daughters who have grown up in the past 20 years have watched these young ladies express interest in sports far greater numbers than in the past. They have encouraged their daughters to play sports, such as soccer, basketball, gymnastics, track, and swimming.

They want these young women to have the same opportunities as their sons. I am hopeful that these young Members of Congress will view this issue in a personal way, not an ideological way.

I once again commend the Connecticut Huskies on their well-deserved championship in an undefeated season, and I commend the Brown students for continuing their battle for all women student athletes.

LANDMARK TAX RELIEF BILL

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from Texas, Mr. SAM JOHNSON, is recognized during morning business for 5 minutes.

Mr. SAM JOHNSON of Texas. Mr. Speaker, this week Republicans will complete the historic 100-day contract by passing a landmark tax relief bill.

Democrats will rise and denounce Republicans as friends of the rich and enemies of the poor. They will replay again and again the same old tired argument of class warfare, trying to pit Americans against Americans.

Just last week Mr. GEPHARDT said, "Republicans believe in giving money to the people that are the most privileged in our society. And they believe that ultimately it will trickle down to the rest of society."

I ask this question: Is repealing the Clinton tax on Social Security benefits for senior citizens giving money to the most privileged? No.

Is increasing the earning limitation for seniors from \$11,000 to \$30,000, giving money to the most privileged? No.

Is providing a savings account that allows any individual or family the opportunity to save and invest in a first home, send their children to college, or help pay high medical bills giving money to the most privileged? No.

Is increasing the amount small businesses may expense from \$17,500 to \$35,000 giving money to the most privileged? No again. This will free up needed capital to invest in new equipment and create more jobs.

Is providing families with a \$500 per child tax credit, giving money to the most privileged? Definitely no again, especially when 74 percent of the benefits go to families earning less than the \$75,000. Actually there should be no cap at all.

I guess the liberals have to engage in class warfare because liberal Democrats are the party of failed promises and broken dreams. This is the only defense they have, since, for over 30 years they have done nothing to slow spending, just raise taxes.

Look at the facts. President Clinton promised middle class tax cuts in 1992 and failed to deliver. But he did pass the largest middle-class tax increase in history.

And after the last election, the President and the minority leader proposed tax cuts, only now to withdraw them.

The President promised deficit reduction but his current budget continues \$200 billion deficits from now to eternity.

Mr. Speaker, Republicans have kept their promises, and the liberal Democrats have kept their tired rhetoric. It is the Republicans that will lower taxes, balance the budget, and downsize Government.

Republicans are showing the Nation they have the courage and integrity to create a stronger America.

BASEBALL STRIKE OVER

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from Illinois [Mr. DURBIN] is recognized during morning business for 5 minutes.

Mr. DURBIN. Mr. Speaker, I have two different messages this morning. First, let me say this.

After months of interminable negotiations and public relations on-upmanship, the baseball strike appears to finally be over. On both sides during the course of this strike we have seen our share of heroes and cads. May I, as a lifelong baseball fan, give the baseball owners and the players a word of advice?

Your generation of owners and players has been entrusted with an American institution as venerable as any in our country. America has now endured this strike, the loss of a world series and threats of another lost season with amazing equanimity. Now please put this sad chapter in our Nation's history behind us and play ball.

TAX CUTS FOR THE WEALTHY

Now, let me switch to the political side, if I might, for a moment.

The gentleman who spoke before me kicked off the week in a series of speeches which you will hear from both sides of the aisle about the so-called Republican contract and the first 100 days of the 104th Congress. I have taken to this floor many times during the course of this debate on the Republican contract and for the most part have been critical of the proposals on

the Republican side. I voted for a few. I voted against many more.

But let me say at the outset that even though I disagree with many elements in the contract, I certainly disagree with the procedure by which it has been brought to the floor, I have viewed the last 95 days or so as exciting, interesting, and really one that has brought new enthusiasm to this House of Representatives and for that I would like to salute the Republican leadership. They have brought to this floor ideas that have been debated.

The reason I am in public life is because I like the battle of ideas. And, boy, we have sure had a lot of them on the floor over the last several weeks, and we are going to have a big one this week.

In the last few months we have had suggestions from the Republican side to create orphanages. Now there was a concept people had not heard of in a long time. They finally gave up on that idea, but they kicked it around for a while.

They had a proposal they did not give up on to cut the school lunch programs. Unfortunately, that is one that is going to have to be taken care of either by the Senate or the President.

And now they are still working on the concept of cutting student loans for kids from middle-class families who want to go to college and trade school and improve their lives. I certainly hope my Republican friends have second thoughts about those.

But the item for debate this week is one that has already been touched on and that is the so-called Republican tax cut package. Keep in mind, ladies and gentlemen, that every politician would love to stand before you in this well and back home and say, ladies and gentlemen, for this campaign, I present to you a tax cut. And, of course, the crowd will applaud. Everybody loves a tax cut.

But, frankly, if you take a close look at this tax cut from the Republicans, it is a lot different story than it first appears.

The gentleman who spoke a few minutes ago talked about the small-change items in the tax bill that generally do benefit good people, senior citizens and working families and people who want to save for their futures. He overlooked the fact that 51 percent of the benefits of this tax bill do not go to those folks. They go to the wealthiest people in America. The privileged few are going to score again.

And you know who is going to pay for it? Once again, working families all across this country. Because you cannot give a tax cut without paying for it. You are going to add to the deficit.

So the Republicans want to add \$178 billion to the deficit over the next 5 years and then over \$400 billion in the 5 years following that. So it will cost us over \$600 billion for this little tax cut deal.

The last time we had a tax cut proposal this big was when President Ronald Reagan was in the White House. He

said it was going to cure America's problems. We all know what we got for it, the biggest national debt in the history of the United States of America. It was a tax cut that did not work.

And I am afraid this one is the same. Let me just give you one example.

The Republicans eliminate what is called the alternative minimum tax. Now this is a tax on wealthy, profitable corporations in America which was imposed several years ago because we found out that some pretty smart lawyers and accountants had figured loopholes in the Tax Code, and many of the most profitable companies in America, billion dollar enterprises with millions of dollars of profit, were not putting a nickel in the Treasury. They took advantage of this wonderful economy and this system of government and did not pay a penny in taxes.

We said, you know, whatever happens you have got to pay a minimum tax to really contribute to the growth in the country and to pay the bills.

We put the alternative minimum taxes on the books. The corporations paid their taxes for 5 or 6 years. Along come my Republican friends, and they say, "That is unfair. We want to get back to the old days when profitable big corporations would not pay any taxes, where they could get off the hook completely."

That does not make much sense because in order to give that break we have got to continue to cut important programs in education and nutrition.

SUPPORT FOR THE TAX RELIEF ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from Georgia [Mr. NORWOOD] is recognized during morning business for 5 minutes.

Mr. NORWOOD. Mr. Speaker, I rise today in support of the Tax Relief Act because it is the right thing to do for America. We will put money into the hands of hard-working people who need their own money to make ends meet. We will provide tax relief for working seniors. But more than anything else we will do this week, we will draw a line between the two parties. We will make it crystal clear to the American people which party fights over big government and big spending and which party wants you to have more of your own money.

Mr. Speaker, that we are doing the right thing for America should be obvious—we will pass a \$500 tax credit. Families with children earning less than \$25,000 will have their entire Federal income tax liability eliminated by the tax credit. We will lower the burden on married couples struggling to get by, by passing a tax credit for married couples. We will pass the American dream savings account which will allow hard-working families to save money for college, or a home, or health care tax free.

We will raise the earnings cap on seniors to allow them to hold a job without facing an outrageous tax bill. Under current tax law, a senior who makes over \$11,000 will face a marginal tax rate of 56 percent, that is more than the tax rate for millionaires. We will send the right message to working seniors—that it is good to work at any age, unlike the current negative message that says the Federal Government will penalize you for working.

Mr. Speaker, the Tax Relief Act will provide tax incentives for people who purchase long-term health care. We will also provide a tax credit for people who provide long-term care at home for an elderly relative. We will increase saving in this country by encouraging IRA investment.

Simply put, we will provide tax relief for millions of average Americans who will greatly benefit from the opportunity to keep more of their hard-earned money. And that is what separates us from the Democrats.

Mr. Speaker, the Democrats will argue that we are giving tax breaks to the rich. Of course they defined rich. That the Democrats hate the rich is a given. We could talk about why for hours, but there is a far more troubling aspect to the Democrats argument. Time and time again, we hear the Democrats arguing for bigger government and more of your money.

During the unfunded mandates debate, the Democrats argued that the Federal Government knew best and the States should follow our orders regardless of the cost. During the regulatory reform debate, the Democrats argued that Federal regulators needed their dictatorial power. When we argued for greater local government control during the crime bill debate, the Democrats argued that the faceless bureaucrat knows best. And when we took power away from the Federal bureaucrats who run the welfare system, the Democrats screamed from the roof tops that we were starving children, which could not have been any further from the truth.

Mr. Speaker, this debate over the Tax Relief Act is not about rich or poor, it is about control. When we vote for you to have more of your money, for you to spend your money on your children or your home or your retirement, you control more of your money, and government should do less. There will be fewer unfunded mandates, less regulation, less control over crime and welfare spending by the Federal Government. Less of all the things Democrats hold dear. The Democrats want your money to fund big government programs. When we give money back to you, they lose control. They want to keep your money. We want you to have more of the money you worked hard for, it is just that simple.

NO NEW TAXES ON FEDERAL EMPLOYEES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from Virginia [Mr. WOLF] is recognized during morning business for 5 minutes.

Mr. WOLF. Mr. Speaker, as the first Member of Congress to introduce the family tax credit in the 103d Congress, I am troubled with the tax bill we will vote on this week which includes a much-needed \$500 tax credit for families with children on one hand but also includes a payroll tax increase on Federal employees on the other. Federal employees are virtually all middle-class taxpayers. We promised no tax increases on middle-class Americans. And I am personally very disappointed to be put in such an untenable position.

I was calling for the family tax relief in the 102d Congress and the 103d Congress when Republicans in the White House and many in Congress would not give it the time of day. Yet my bill for family tax relief garnered bipartisan support for 263 cosponsors in the 102d Congress. Raising taxes to fund a tax cut was never part of the picture.

So why sully our tax package now with a tax increase? President Bush did not balance the budget by raising taxes and neither did President Clinton. We will be breaking our promise in the contract not to raise taxes. Therefore, I hope that it will not only be those Republicans with large numbers of Federal employees in their districts who will oppose payroll tax hikes own certain groups but all on our side on the aisle who signed the contract as well as those Democrats who oppose increasing taxes on the middle class.

We are repealing in this bill the Social Security tax increase which the Democrats passed to balance the budget because it hit many middle-class retirees. Why repeat that mistake by picking on another group? And why repeat the disasters of the past in breaking promises on tax increases?

A fundamental tenet of the Contract With America is the commitment to no new taxes. Once we cede the tax issue in any area we will be open to the argument that it is OK to raise taxes; it just depends upon whose.

We should not be talking about raising anybody's taxes. But this bill singles out Federal employees for a dramatic increase in payroll taxes. For example, an FBI agent, who everyone in this body would call if your wife or husband or children was kidnapped, an FBI agent with two children earning \$50,000 will pay an additional \$250 a year to the Federal Government even with the \$500 tax credit. This is a \$1,250 hit without the tax credit.

The provision that was put into the bill is even more onerous than the provision proposed in the Committee on

Government Reform and Oversight and that was unable to even make it out of committee. There were only 2 days of hearings on this very complicated issue and, quite frankly, there was still many issues unresolved. This is not a good precedent to be setting.

Furthermore, most management experts will tell you that as you are downsizing it is important not to demoralize the remaining staff. Let me just say it again. As you are downsizing it is important not to demoralize the remaining staff. Hitting Federal employees across the board with a payroll tax like this in conjunction with downsizing efforts will have a devastating impact on morale at a critical time.

What Federal employees? FBI agents, DEA agents that are keeping drugs out of schools, CIA agents, Secret Service agents that would stop the bullet that kills the President of the United States like Timothy McCarthy who saved President Reagan's life. Cancer research at NIH.

When you downsize you treat the people you keep well and you do not demoralize them. This issue of unfunded liabilities in the Federal pension system is still open to considerable debate. The Congressional Research Service reported that the trust fund balance is adequate to provide needed budget authority on an ongoing basis. The combined funded and unfunded liabilities of the old retirement system is the amount that the Government would have to pay all at one time if everyone who is or who has ever been a vested CSRS participant could demand a check for the present value of all the benefits to which they would be entitled from that time throughout retirement until their death, taking into account future pay raises they might receive and cost-of-living adjustments after retirement.

□ 1300

As the CRS noted, "This event cannot happen in the Federal retirement system." Federal pension obligations would not just come due all at once, at one time.

Furthermore, given the large downsizing effort in progress, the pension liabilities will be dramatically reduced in coming years, and this is just one more reason why it is particularly unfair that Federal employees will see the huge jump in their payroll tax. Some of them will be gone before this pension even vests.

Instead of including this complex issue in this tax bill, perhaps we need a bipartisan commission to look at it. I am asking that the tax increase provision be removed and that we complete the final plank in the contract without any tax increase.

I include for the RECORD a memorandum and letters to Mr. Darman.

CONGRESSIONAL RESEARCH SERVICE,
LIBRARY OF CONGRESS,
Washington, DC, March 18, 1995.

Subject: Federal Civil Service Retirement: Is There a Financing or Funding Problem?
From: Carolyn L. Merck, Specialist in social legislation, Education and Public Welfare Division.

Two questions have been raised recently regarding the Federal Civil Service Retirement System [CSRS]. First, is the "unfunded liability" of the CSRS a problem that needs to be fixed to avoid steep increases in outlays from the Treasury or increases in the deficit? Second, is the system now insolvent, or will it become insolvent in the future? The answer to both of these questions is "no."

BACKGROUND

From 1920 until 1984 the CSRS was the retirement system for most Federal employees. In 1935, Congress enacted social security for private sector workers. In 1983, when social security funding was running low, Congress brought cash into that system by mandating (among other things) social security coverage and payroll taxes for all Federal workers entering civil service employment on or after January 1, 1984. Because social security benefits would duplicate some CSRS benefits, Congress closed the CSRS to new participants at the end of 1983 and designed the Federal Employees' Retirement System [FERS] to coordinate with social security. A primary objective of Congress in designing a new system was to create a retirement plan like those commonly found in the private sector. Congress crafted FERS during 2 years of careful analysis of alternatives and planned for a smooth funding transition from CSRS to FERS.

Total annual benefit costs for current Federal retirees and survivors were about \$36 billion in FY 1994. About \$9.7 billion in receipts were credited to the retirement trust fund account of the Treasury from payroll withholding from current workers along with payments from the U.S. Postal Service and the Government of the District of Columbia.

These cash receipts are converted to Federal securities and are deposited in the one retirement trust fund that finances both CSRS and FERS. Other annual trust fund receipts in the form of Federal securities total about \$53.8 billion and are deposited according to formulas established in law to prefund partially future retirement benefits and to pay interest on the securities in the fund. In total, the trust fund received \$63.5 billion in FY 1994 and spent about \$36 billion for benefits. The deposit of securities in the trust fund is an "intragovernmental transfer" between accounts of the Treasury; it does not constitute an outlay from the Treasury and has no effect on the budget deficit. Benefit payments and administrative costs are the only expenditures of the Treasury for the retirement system. Because the trust fund receives more income each year than is debited for benefits, its balance continues to grow.

IS THE UNFUNDED CSRS LIABILITY A BUDGET PROBLEM?

The liabilities of a retirement system are the costs of benefits promised to workers and retirees. A retirement system is "fully funded" if a trust fund holds assets approximately equal to the present value of all future benefit promises to which retirees and vested employees are entitled ("vesting" in the Federal plans requires 5 years of employment covered by the system). "Unfunded liabilities" are earned benefits for which assets have not been set aside in a retirement fund. As of the end of FY 1993, the Federal retirement trust fund held \$276.7 billion in assets for the CSRS, or about 34 percent of

long-term CSRS pension liabilities (the fund balance represents "funded liabilities"). Thus, the unfunded CSRS liability was \$538.3 billion. The unfunded liability developed because the CSRS funding laws have not required the Government to fund the system fully. Nevertheless, the primary purpose of the Federal trust fund is not to provide a source of cash for the Government, but to provide budget authority to allow the Treasury to disburse monthly annuity checks without annual appropriations. The trust fund balance is adequate to provide this budget authority on an ongoing basis.

The combined funded and unfunded liabilities of the CSRS, \$815 billion in FY 1993, is the amount the Government would have to pay all at one time if everyone who is or who ever has been a vested CSRS participant could demand a check for the present value of all the benefits to which they would be entitled from that time throughout retirement until their death (or their survivor's death), taking into account future pay raises they might receive (which affect the annuity at retirement) and cost-of-living adjustments after retirement. This event cannot happen in the Federal retirement system. Federal pension obligations cannot come due all at one time, unlike the situation that arises in the private sector when an employer goes out of business and must pay all promised pension obligations at once. Some of the Government's liabilities represent payments due to current retirees, who receive their benefits 1 month at a time throughout retirement; others represent payments that will not commence for years to come because the workers are not yet eligible for retirement. By the time they become eligible, others currently retired will have died. Thus, unlike private employers, the Government need not fully prefund the retirement system in order to insure against having to pay off all earned benefits simultaneously.

Some are concerned that the existence of unfunded Federal pension liabilities has, or will have in the future, an effect on the budget deficit and/or the need for tax revenues. The annual budget cost to the Government of CSRS (or any retirement system) can never be more than the sum of the checks written to annuitants 1 month at a time. Thus, the liabilities of the system, funded or unfunded, will never require payments from the Treasury in excess of the benefits payable to living, retired workers or survivors. However, the cash to pay monthly benefits comes from general revenues, and paying monthly benefits creates an outlay from the budget and therefore contributes to the budget deficit, as does any Government spending. Consequently, in times of tight budgets, Congress often considers benefit cuts in order to reduce spending. This would be true if the program were fully funded and had no unfunded liability, or, conversely, if there were no trust fund and the program were totally unfunded.

The CSRS is an employer-provided defined benefit system, which is the type of plan provided by many private employers for their employees and by most State and local governments. Under all defined benefit pension plans, public and private, the employer bears the responsibility for financing and paying most or all of the cost of benefits. Defined benefit pensions are deferred compensation, meaning the employer defers paying employees' compensation during their working years in favor of providing a specified level of compensation throughout retirement years. Private employers finance employees' pensions from invested income derived from the sale of goods or services. Analogously, the employer of Federal workers is the American taxpayer. The resources the Government has to meet its employer obligations to finance

the current and deferred compensation of its employees are Federal tax revenues.

DOES THE CSRS FACE INSOLVENCY?

Currently about half of the Federal workforce participates in the CSRS and about half participates in FERS. Over the next two decades or so the number of CSRS workers will decline as they retire, and the workforce will include mostly FERS participants. As the number of CSRS-covered workers declines, the assets credited to the trust fund for CSRS will decline not because of loss of payroll contributions from workers, but primarily because the Government's payments will decline. Employee contributions "pay for" only about 12 percent of current annual benefit costs. However, the formulas by which the Government's share of CSRS costs are determined are based on projections of long-term benefits; as long-term benefit projections decline in anticipation of the demise of the CSRS, the Government's funding will decline, although there will still be CSRS retirees and survivors entitled to benefits. According to the Office of Personnel Management (OPM), CSRS benefit payments will begin to exceed the amount of assets credited annually to the trust fund for CSRS in about 2008, and the assets attributable to the CSRS will be depleted by about 2025.

When Members of Congress wrote the new FERS law in 1986, they understood that there would have to be a financial transition from CSRS to FERS in the next century, and they wrote the law to provide for that transition. First, the law provides for one trust fund in which CSRS and FERS assets are combined. Therefore, there is no separate CSRS trust fund that will be depleted. Second, Congress established a system whereby benefit payments under the CSRS will be authorized by FERS trust fund securities as needed until there are no more CSRS benefits to be paid. Thus, the securities that are building up for FERS, and that are in excess of the amount needed to authorize FERS payments for some time, will be reduced each year by the amount by which CSRS benefits exceed CSRS assets. This will cause an increase in the FERS liability, but that liability will be "paid off" through a series of 30-year amortization payments. Using a 75-year projection period, OPM estimates that the total value of securities in the trust fund will grow throughout the projection period, ultimately reaching about 4.2 times payroll, or nearly 18 times the amount needed to pay annual benefits. This means that in the next century the trust fund will reach an ongoing steady state in which it will have a balance sufficient to authorize 18 years of benefit payments.

In summary, by definition, under the financing arrangements set out in the current law, the system is not now and never will be "insolvent" or without adequate budget authority for payment of benefits. Again, because the budget cost of the systems can never exceed the cost of monthly benefits to living annuitants, the cash required from the Treasury or taxpayers will never exceed the cost of those monthly payments.

APRIL 29, 1991.

Hon. RICHARD DARMAN,
*Director, Office of Management and Budget,
The White House,
Washington, DC.*

DEAR MR. DARMAN: Since we last corresponded, H.R. 1277 The Tax Fairness for Families Act of 1991, has garnered the support of 73 bipartisan cosponsors from across the political spectrum.

More members of Congress are recognizing that a successful economic agenda is founded

in policy which strengthens the cornerstone of a strong and healthy society: the family. H.R. 1277 is a simple bill. It doesn't require more employees to administer a program or a new federal building. It simply makes the tax code more family friendly by raising the personal exemption from \$2050 to \$3500 for children under age 18.

I have enclosed a list of the current cosponsors for your information. This is an issue that is quickly gaining interest and I would appreciate your support.

Best wishes.

Sincerely,

FRANK R. WOLF,
Member of Congress.

MAY 1, 1991.

Hon. RICHARD DARMAN,
Director, Office of Management and Budget,
The White House,
Washington, DC.

DEAR MR. DARMAN: As you'll recall, when we first spoke about my legislation to increase the dependent deduction, 52 House members had cosponsored.

Last week when I wrote you, 73 members had signed on. I wanted to let you know that today we reached 100 cosponsors and I have enclosed the list for you.

Bipartisan momentum is building on this bill which will help the American family and I hope the Bush Administration will lend its support.

Sincerely,

FRANK R. WOLF,
Member of Congress.

MAY 6, 1991.

Hon. RICHARD DARMAN,
Director, Office of Management and Budget,
The White House,
Washington, DC.

DEAR MR. DARMAN: Just a quick note to let you know that H.R. 1277, "Tax Fairness for Families," has picked up an additional 25 cosponsors since I wrote you last week.

We now have 125 cosponsors and I have enclosed an updated list of the cosponsors for you.

I hope the Bush Administration will support H.R. 1277.

Sincerely,

FRANK R. WOLF,
Member of Congress.

MAY 9, 1991.

Hon. RICHARD DARMAN,
Director, Office of Management and Budget,
The White House,
Washington, DC.

DEAR MR. DARMAN: I wanted to give you a quick update on the support building in the House for H.R. 1277, "Tax Fairness for Families."

We have picked up an additional 35 cosponsors since I wrote to you on Monday, May 6. H.R. 1277 now has 160 cosponsors.

I hope the Administration will support this bill.

Sincerely,

FRANK R. WOLF,
Member of Congress.

MAY 9, 1991.

Hon. RICHARD DARMAN,
Director, Office of Management and Budget,
The White House,
Washington, DC.

DEAR MR. DARMAN: We now have 200 cosponsors of H.R. 1277, "Tax Fairness for Families."

We need the Administration's support for this legislation.

With warm regards,

Sincerely,

FRANK R. WOLF,
Member of Congress.

JULY 7, 1991.

Hon. RICHARD DARMAN,
Director, Office of Management and Budget,
The White House,
Washington, DC.

DEAR MR. DARMAN: In case you had not already seen it, I hope you will have a look at the enclosed Allan Carlson piece in the Wall Street Journal regarding the issue of tax fairness for families.

We now have 210 cosponsors on H.R. 1277. I hope Administration will support this bill and avoid repeating the "swedish mistake."

Thanks again for your interest in this legislation.

Sincerely,

FRANK R. WOLF,
Member of Congress.

AUGUST 22, 1991.

Hon. RICHARD DARMAN,
Director, Office of Management and Budget,
The White House,
Washington, DC.

DEAR MR. DARMAN: As the Wall Street Journal reported in the attached article, tax fairness for families is going to be a key political issue for the coming year.

I am writing to urge the Administration's support for the family tax packages that I have put forward to increase the dependent deduction (H.R. 1277) and expand the Young Child tax Credit (H.R. 2633). This package already has the bipartisan support of 248 cosponsors including 101 Democrats. Unlike other tax packages recently proposed, this package provides tax relief exclusively for working families, treats both one-earner and two-earner families in an equitable manner, and does not propose to create higher tax brackets.

While it appears that many of the family tax package already proposed will take the dubious route of increasing taxes to provide a so-called middle class tax relief package, the Administration has the opportunity to provide a clear alternative. By working with the majority in Congress who support family tax relief yet, the Administration can put forth a program of restrained growth in domestic spending to provide for significant family tax relief.

As you may know, last year I supported the budget agreement and believe in the need for responsible fiscal policy. The combined cost of H.R. 1277 and H.R. 2633 is estimated at between \$12-15 billion per year. I believe it could be paid for through a unified cap on domestic spending of between 6%-6½ percent. A unified cap on domestic spending would provide a logical extension to the common sense restraints put on spending in last year's budget agreement. Currently, approximately \$100 billion is spent on programs benefiting children. These programs could still meet the needs of families and children if they grew at this reasonable rate.

In addition, the Administration could also put forward the capital gains tax cut as a revenue raiser for family tax relief. With the thousands of new jobs that would be produced with a lower capital gains rate, a dynamic with/win situation would be achieved by providing revenue for family tax relief while also spurring the economy and increasing job opportunities.

With the trust of the American people and the facts on his side, President Bush and this Administration can provide strong support to American families by allowing them to keep more of their own hard-earned money to provide for their families. All the attention on family tax relief provides an excellent opportunity for the Administration to advance its pro-family, pro-growth, policies while distinguishing them from the failed and tired "Robin Hood" politics put forth in

other family tax measures. Thank you for your consideration of these important issues. Sincerely,

FRANK R. WOLF,
Member of Congress.

OCTOBER 8, 1991.

Hon. RICHARD DARMAN,
Director, Office of Management and Budget,
The White House,
Washington, DC.

DEAR MR. DARMAN: The American family has never been under greater attack than it is today. From our inner cities to our suburbs, families are threatened by disturbingly high rates of child abuse, spouse abuse, teen suicide, high school drop outs, drug and alcohol use and most tragically violence and death among our youth. Today more young males die of gunshot wounds every year than died in Desert Storm. The wheels are coming off the American family and clearly, children cannot steer clear of trouble without the guiding influence of the family.

These disturbing trends in child and family well-being have coincided with the dramatically reduced tax benefit for children. While children today are more at risk from numerous cultural threats, parents are pushed by financial pressures to spend less time with their children. Too often either Mom nor Dad is home to hear the after school trials and tribulations of troubled adolescents or to help with homework or to spend relaxed time with their children. The combined effect of these "twin deficits" of time and money create a downward spiral for family well-being as well as real pain and suffering for thousands of children and families.

Family tax relief is an important part of a workable solution for families and is a natural outgrowth of the following common sense sentiments recently expressed by President Bush:

We all realize that government has real limits. You can't replace values with regulations. You can't replace parents with case-workers.

The family tax bills we have introduced fit well into the President's efforts to restore proportion and balance to government while allowing individuals and families to have more choices and opportunities. That is why we believe it is important that the Administration enthusiastically embrace and endorse family tax relief and make it a legislative priority in the upcoming year. Already there are 252 cosponsors of H.R. 1277 (a measure to increase the dependent deduction to \$3,500) and growing support in the Senate for S. 152 to double the personal exemption.

The Bush Administration has an historic opportunity to further advance the cause of families. By actively pushing these family tax relief measures in combination with a capital gains tax cut, the Administration can forward a proactive family policy that gives families more money, time and opportunity for families themselves to promote family well-being. Domestic policy that focuses on the home and families instead of more government programs is the true recipe for nurturing families and children.

We believe this is good legislation that the Administration can support and Congress can pass. It helps families right away without adding to big government or mandating regulations or policies.

Thank you for your consideration of these important issues. If we can provide you with any additional information please contact either of us or Barbara Comstock at 225-5136.

Sincerely,

FRANK R. WOLF,
Ranking Minority
Member, Select Com-
mittee on Children,
Youth, and Families.

DAN COATS,
Ranking Member, Subcommittee on Children, Family, Drugs, and Alcoholism.

OCTOBER 23, 1991.

Hon. RICHARD DARMAN,
Director, Office of Management and Budget,
The White House,
Washington, DC.

DEAR MR. DARMAN: I would like to emphasize one more time the importance of including direct family tax cuts in the Administration's economic growth package. Frankly, I am disappointed that the Administration has not yet signed onto the efforts for family tax relief when the support is already present in the House just waiting for someone to lead the charge. It is my hope that it will be President Bush leading this charge and reaping the obvious benefits for both the American family and the Republican party.

I cannot over emphasize my concern for today's families and the financial and cultural pressures they face. Families are clearly overtaxed. By making family tax relief the centerpiece of the Administration's economic growth package we could both help American families and garner the political support for a capital gains tax cut and a true economic growth package.

I hope you will consider the advantages of making family tax relief a centerpiece of the Administration's economic growth package.

Sincerely,

FRANK R. WOLF,
Member of Congress.

NOVEMBER 18, 1991.

Hon. RICHARD DARMAN,
Director, Office of Management and Budget,
The White House,
Washington, DC.

DEAR MR. DARMAN: As Wall Street Journal reported in the attached article, tax fairness for families is going to be a key political issue for the coming year.

I am writing to urge the Administration's support for the family tax package that I have put forward to increase the dependent deduction (H.R. 1277) and expand the Young Child Tax Credit (H.R. 2633). This package already has the bipartisan support of 248 cosponsors including 101 Democrats. Unlike other tax packages recently proposed, this package provides tax relief exclusively for working families, treats both one-earner and two-earner families in an equitable manner, and does not propose to create higher tax brackets.

While it appears that many of the family tax packages already proposed will take the dubious route of increasing taxes to provide a so-called middle class tax relief package, the Administration has the opportunity to provide a clear alternative. By working with the majority in Congress who support family tax relief yet, the Administration can put forth a program of restrained growth in domestic spending to provide for significant family tax relief.

As you may know, last year I supported the budget agreement and believe in the need for responsible fiscal policy. The combined cost of H.R. 1277 and H.R. 2633 is estimated at between \$12-15 billion per year. I believe it could be paid for through a unified cap on domestic spending of between 6-6½ percent. A unified cap on domestic spending would provide a logical extension to the common sense restraints put on spending in last year's budget agreement. Currently, approximately \$100 billion is spent on programs benefiting children. These programs could still meet the needs of families and children if they grew at this reasonable rate.

In addition, the Administration could also put forward the capital gains tax cut as a revenue raiser for family tax relief. With the thousands of new jobs that would be produced with a lower capital gains rate, a dynamic win/win situation would be achieved by providing revenue for family tax relief while also spurring the economy and increasing job opportunities.

With the trust of the American people and the facts on his side, President Bush and this Administration can provide strong support to American families by allowing them to keep more of their own hard-earned money to provide for their families. All the attention on family tax relief provides an excellent opportunity for the Administration to advance its pro-family, pro-growth, policies while distinguishing them from the failed and tired "Robin Hood" politics put forth in other family tax measures. Thank you for your consideration of these important issues.

Sincerely,

FRANK R. WOLF,
Member of Congress.

NOVEMBER 22, 1991.

Hon. RICHARD DARMAN,
Director, Office of Management and Budget,
Washington, DC.

DEAR MR. DARMAN: I wanted to share with you a recent letter sent to President Bush, signed by over 60 House Republicans, calling for a Special Session of Congress to pass an economic recovery package which would help American families and stimulate the economy.

In the brief time this letter was circulated, almost every member asked signed onto the letter. The American people need our help now and President Bush has an historic opportunity to take this bold action and help American families and businesses.

Sincerely,

FRANK R. WOLF,
Member of Congress.

NOVEMBER 25, 1991.

Hon. RICHARD DARMAN,
Director, Office of Management and Budget,
Washington, DC.

DEAR MR. DARMAN: I wanted to share with you a copy of a letter I recently sent to President Bush on the need for the Administration and the Republican party to be strongly on the offensive in the area of family policy.

The battle for the middle class and the American family is on. Family tax relief and "family friendly" work issues are winning issues for the President as well as the right thing to do. I hope you find this information helpful.

Thank you for your time and consideration of these important issues.

Sincerely,

FRANK R. WOLF,
Member of Congress.

REPUBLICAN TAX POLICIES HELP ECONOMY

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Under the Speaker's announced policy of January 4, 1995, the gentleman from New Jersey [Mr. SAXTON] is recognized during morning business for 5 minutes.

Mr. SAXTON. Mr. Speaker, the last speaker from the other side of the aisle seemed to take great delight in looking back at the 1980's and suggesting that what was done during the 1980's was all wrong because we created a big debt.

Well, I agree with the gentleman that what we did was all wrong because we

created a big debt. But it was not the tax side of the equation that we did wrong. It was the spending side of the equation that we did wrong.

As a matter of fact, during the 1980's, if one looks back, during the first 3 years of the 1980's we had virtually no growth in revenues, no growth because we were suffering from the hangover of the Carter administration.

I can remember during that period of time when President Carter could not figure out what had gone wrong, and there was a new person who came on the scene. His name was Ronald Reagan.

There are some of us on this side of the aisle, and I hope some on that side, who recognize that there were some things that were done right during the early 1980's to help put our economy back on the right track.

One of those things occurred in 1981, 1982, and 1983. It was a redoing of our tax policy because we recognized that we could not get growth in Federal revenues until we got the national economy growing.

And it was in 1981, 1982, and 1983 that we put a whole new face on our Tax Code, a whole new face that was intended to create economic growth, create jobs and at the same time create more Federal revenue. And, guess what, at the beginning of the 1980's we had Federal revenues of just over \$500 billion, and by 1990 we had doubled our revenues.

That is right. In spite of the fact that in 1981, 1982, and 1983 we had tax rate reductions, by 1990 we had doubled the amount of revenue that our colleagues from both sides of the aisle had to spend.

And so if anyone thinks that the Reagan tax policies had something bad to do with our revenue picture, bad to do with economic growth or bad to do with the deficit situation, I think they are dead wrong.

As a matter of fact, what we did wrong in the 1980's was that while we were doubling the amount of revenue that we had to spend we more than doubled spending, and I think all of us recognize today therefore that there were some things that we did right in the 1980's that had to do with economic growth where we had, on average, better than 4 percent growth.

What we did wrong was that we had, on average, more than that in terms of growth in our spending programs. And so what we are trying to do on this side of the aisle, now that for the first time in 40 years we get to call some of the shots, we are trying to replicate what we did right in the 1980s and fix what we did wrong.

We got to the end of the 1980's and President Bush went off to Andrew air Force Base in I think it was 1989 or 1990; and he said, look, we have got to fix this situation. The Democrat leadership agreed, and they agreed to raise taxes to fix the deficit problem.

Then in 1993 once again President Clinton decided with the Democrat leadership that once again we ought to do something to try to fix the deficit problem. In both cases taxes were raised; and in both cases, one succeeding the other, it was the biggest tax increase in the history of our country, in 1990 trumped by 1993.

When we come and look at the books today we see that we have still got the same deficit problem because we have not done anything about spending, and by increasing taxes we have simply put a damper on the national economy.

This year, the President's report on the economy suggests that in the years ahead we can anticipate a 2.3- to 2.5-percent growth in our national economy. And, once again, many of us think on this side of the aisle and I am sure there are some on yours who believe that this is because of the bad tax policy that was put in place in 1990 and 1993.

What the Republican tax proposal for this year is, it is a growth package. It deals with capital gains to get growth. It deals with reforming the alternative minimum wage to get growth. It deals with promoting savings and investment by giving different treatment to the IRA's and putting in place what we call our super-IRA plan.

It has to do with the senior citizens earning test, and it has to do with a family tax credit for middle America so that the families of America can share in this growth opportunity along with our Government and with our Federal revenues.

So when the gentleman, the previous speaker from Illinois, Mr. DURBIN, criticized us for the 1980's, we are willing to take our share of the criticism. We are willing to look at what we did wrong in the 1980's, which was our failure to curtail spending, but we are not willing to concede, not for a minute, that good growth tax policy is what the American economy needs, and as a result, we will have the revenue to balance the budget by the year 2002.

TAX BENEFIT FOR RUPERT MURDOCH

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from Michigan [Mr. BONIOR] is recognized during morning business for 5 minutes.

Mr. BONIOR. Mr. Speaker, this weekend, the New York Daily News made some disturbing revelations about the kinds of secret, backroom deals being cut by House Republicans.

Last week, the House passed legislation that would allow tax deductions for the self-employed and repeal tax benefits for minority broadcasters.

But hidden in the conference report was one special provision that would allow Rupert Murdoch to reap tens of millions of dollars in tax benefits.

According to Sunday's New York Daily News, and I quote:

Republicans dropped their opposition to the tax break after learning Murdoch was the beneficiary of the legislation and consulting Gingrich, according to six sources involved in the negotiations.

In fact, according to an earlier New York Daily News story on Saturday, a Senate staffer is reported as saying, "the Republicans were going to kill the deal until they found out that Murdoch owned the station. Then they almost magically approved it."

Keep in mind: The Republicans claimed they opposed this kind of tax break. And in 18 other pending cases, they refused to allow these deals to go forward.

Only the case involving Rupert Murdoch's TV station in Atlanta was allowed to go through with a special tax break.

I am here today to call on Speaker NEWT GINGRICH to explain exactly why his own publisher got special treatment, and exactly why this multi-million-dollar tax break for Rupert Murdoch was allowed to secretly slip through.

For the Speaker to claim that he had to agree to a special provision that was put in by a Senator is ludicrous.

Just last week, when Democrats tried to keep a Senate provision that would stop billionaires who renounce their citizenship from avoiding their taxes, the Speaker said no.

And following lockstep with his lead, every Republican but five voted against closing this loophole for billionaires.

Now we find that hidden in this same bill was a special provision that would allow one billionaire, who just happens to be the Speaker's publisher, to reap a multi-million-dollar windfall.

Does anybody really believe that the Speaker could not do anything to stop this?

It seems to me that the lesson here is no matter which way you cut it, if you are a multimillionaire or if you are a billionaire, Republican tax bills are going to look out for you.

What we have here is a window on the whole Contract With America and the way the Gingrich Republicans operate.

This week we are going to be dealing with what the Speaker himself calls the crown jewel of the contract—a tax bill that will give more than half its benefits to people making more than \$100,000 a year.

The Gingrich Republican tax bill may be a crown jewel for the wealthy—but for the rest of America, it's fool's gold.

Last week's special windfall for Rupert Murdoch must not stand.

There is still time for the Senate to stop this multi-million-dollar boondoggle.

I am calling on the Senate to strip this provision out and send us a clean bill.

BOB DOLE should send this bill back without the special break for Rupert Murdoch.

Even more important, the Speaker himself needs to come clean, on his ties with Murdoch, on his role in this special tax break, and on the tangle of special interests that are tainting all his dealings.

This is precisely the kind of thing we warned about when NEWT GINGRICH entered his \$4.5 million book deal with Rupert Murdoch.

And this is why now, more than ever, we need a professional, nonpartisan, outside counsel to come in and sort out this whole mess.

It is looking more and more every day like the so-called Contract With America is really a contract with corporate special interests, or perhaps a contract with NEWT GINGRICH's special friends.

RECESS

The SPEAKER pro tempore. There being no further requests for morning business, pursuant to clause 12, rule I, the House will stand in recess until 2 p.m. today.

Accordingly (at 1 o'clock and 11 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. BARRETT of Nebraska] at 2 p.m.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

The beauty and refreshment of this spring day reminds us of the need for renewal and restoration in our lives. This day is Your gift, O gracious God, a gift that reminds us of Your bountiful good will to us and to all people. We are sensitive to the fresh air of spring, we are alert to the green buds that now surround us, wherever we look our senses are filled with the resurgence of life and new possibilities of our growth in faith and hope and love. Fill us, we pray, with the joy and the blessing and the light of this day, that we will walk with Your favor and be the people You would have us be. In Your name, we pray, Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The Chair requests the gentleman from

North Carolina [Mr. JONES] to lead the House in the Pledge of Allegiance.

Mr. JONES led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate has passed bills of the following titles, in which the concurrence of the House is requested:

S. 464. An act to make the reporting deadlines for studies conducted in Federal court demonstration districts consistent with the deadlines for pilot districts, and for other purposes; and

S. 532. An act to clarify the rules governing venue, and for other purposes.

REPUBLICAN CONTRACT WITH AMERICA

(Mr. SAXTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAXTON. Mr. Speaker, our Contract With America states the following:

On the first day of Congress, a Republican House will require Congress to live under the same laws as everyone else; cut committee staffs by one-third; and cut the congressional budget. We kept our promise.

It continues that in the first 100 days, we will vote on the following items: A balanced budget amendment—we kept our promise; unfunded mandates legislation—we kept our promise; line-item veto—we kept our promise; a new crime package to stop violent criminals—we kept our promise; National Security restoration to protect our freedoms—we kept our promise; Government regulatory reform—we kept our promise; commonsense legal reform to end frivolous lawsuits—we kept our promise; welfare reform to encourage work, not dependence—we kept our promise; congressional term limits to make Congress a citizen legislature—we kept our promise; family reinforcement, tax cuts for middle-income families, and the Senior Citizens' Equity Act to allow our seniors to work without Government penalty—we will do these this week.

This is our Contract With America.

CONGRESS MUST REGULATE COMMERCE WITH FOREIGN NATIONS

(Mr. TRAFICANT asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Check this out, you promise keepers: The dollar, once valued at 234 yen has joined the *Titanic*; it is down to 86 yen.

Now check this out: All of these think tank impresarios and all of these economic gurus told Congress if you want to fix the trade problem, drive down the value of the dollar. It is so low it could walk under a closed door with a top hat on, and in Detroit the deficit keeps growing. It is not the budget deficit, it is not rescissions, it is not tax cuts.

Japan has cleaned our clock on illegal trade for years. We are in a trade war. Is America afraid to fight? This is war.

Why do we not regulate commerce with foreign nations like the Constitution charges us, Congress, and then maybe we will keep a few promises with working Americans.

I hope those gurus are in some economic unemployment line somewhere in the country.

CLEAN WATER ACT REAUTHORIZATION RECEIVES BIPARTISAN SUPPORT

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, it is becoming very clear that the environmental extremists have decided to adopt the big lie strategy to attack the clean water bill. They are saying that the bill was written behind closed doors by Republicans with industry.

Here are the facts. The clean water bill provides over \$3 billion a year to continue cleaning up America's waters.

The original cosponsors, 16 of us, 8 Republicans, 8 Democrats. The bill passed overwhelmingly in the subcommittee last week, 19 to 5, with a majority of Democrats as well as Republicans voting in favor of it. It has been an open process.

The EPA testified more than three times before our committee. In fact it was so open that the Governors' Association sent us a letter saying we commend you for the unprecedented inclusion of State and local government representatives in the process for developing a Clean Water Act reauthorization.

Now, it is true, we do want to correct the overzealous regulations, but do not be misled by the big lie. This is good legislation with strong bipartisan support.

UNIVERSITY OF CONNECTICUT'S HUSKIES WIN NCAA TOURNAMENT AND NATIONAL WOMEN'S BASKETBALL TITLE

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, yesterday the University of Connecticut's women's basketball team put the final flourish on a perfect season by winning the NCAA tournament and national women's basketball title. I join fans from all across our State in congratulating the players, the coaches, and the entire university for this historic achievement. We are so proud of you; you are true champions.

The Huskies' achievement is even more remarkable when you consider the team had to come from behind to defeat the talented Tennessee Volunteers. Either team would have made a terrific champion, but 1995 is UConn's year. In fact the Huskies' undefeated season marks only the second time in the 14-year history of the tournament that a women's team has finished the season with an unblemished record.

There was another piece of history made last night when President Clinton called to congratulate the team. It was the first time a President has called the NCAA women's champion after the title game. Let us hope that this tradition continues, along with the winning tradition of women's basketball at the University of Connecticut, the 1995 National Champions.

Go Huskies.

TOP 10 LIST OF PEOPLE MAKING MORE THAN \$100,000 WHO WILL GET A TAX BREAK UNDER THE REPUBLICAN PROPOSAL

(Mr. WYNN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYNN. Mr. Speaker, it looks like the Republicans are at it again: Rob from the poor to give to the rich. First it was the school lunch program; now it is college scholarships. It would not be so bad if tax breaks were going to people who really deserve them, but that is not the case. That is why I made up my top 10 list in the spirit of the times—top 10 list of people making more than \$100,000 who would get a tax break under the Republican proposal.

No. 10, big developers.

No. 9, doctors.

No. 8, wealthy landlords.

No. 7, big agri-farmers.

No. 6, corporate managers.

Remember, these are people who are going to get a tax break under the Republican proposal.

No. 5, overpaid conservative talk show hosts.

No. 4, the chairman of the local country clubs' admissions boards.

No. 3, wealthy lobbyists.

No. 2, attorneys.

And the No. 1 group that is going to get the tax break under their proposal, your local Congressman, because they make over \$100,000.

Do you think they need a tax break? I do not.

PROTECTING THE AMERICAN DREAM

(Mrs. SEASTRAND asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SEASTRAND. Mr. Speaker, the Democrat defenders of the status quo oppose letting families keep more of what they earn. A constituent of mine, Ronald Reagan, called that "economics without a soul."

Families should be rewarded rather than penalized by the tax system. Breadwinners shouldn't have to work harder for the Government than they do for their families.

Let us look at a few facts. If the exemption for children had kept pace with inflation, it would now be worth \$8,000 instead of the current \$2,350. In 1950, the average American family paid \$1 out of every \$50 in taxes. Today, the family pays \$1 out of every \$4 in taxes.

We know that regulation and taxation together are antijobs and antifamily. This Congress has kept its promise to the American people and passed commonsense regulatory reform. Now it is time to recognize that taxation is regulation's evil twin. We need to protect the American dream, and the American family and pass the tax bill. Families know better how to spend their money than the bureaucrats in Washington.

BURDENSOME TAXATION

(Mr. JONES asked and was given permission to address the House for 1 minute.)

Mr. JONES. Mr. Speaker, from 1954 until 1995, this body was governed by a party whose basic philosophy was that Government could do everything, provided that enough money was spent.

The consequences of this philosophy have been devastating.

Today, the average family pays over half of its income to taxes at all levels. One cannot logically expect civilization to continue with taxation so burdensome and Government so expensive.

The American people have lost their patience with this situation. They have figured out that there are winners and losers with the current tax system. The winner, of course, is the Federal Government. The losers are American families and senior citizens.

Mr. Speaker, the time has come for the tax relief the Republicans promised in our Contract With America. The liberals will offer refrain after refrain of class warfare. But let us not forget whose philosophy and whose stewardship created this mess in Washington.

THERE THEY GO AGAIN

(Mr. SKAGGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKAGGS. Mr. Speaker, today the Democratic Study Group released it

second report on the real meaning of the Republicans' so-called contract. The report describes the way the Republican tax bill—the so-called crown jewel of the contract—will result in an enormous giveaway to the wealthy and the biggest corporations of this country, while Republicans give working Americans the back of their hand.

Here is an example of the real meaning of this tax bill. A family with total income under \$75,000 will get an average tax break of about \$36 a month.

On the other hand, for those making over \$200,000 a year, the average tax break will be almost a thousand dollars a month.

Welcome to tax relief, Republican-style: another massive relief program for the wealthy, a pittance for working Americans, while exploding the deficit.

Anybody nostalgic for 1981? The last time they tried this, David Stockman, President Reagan's budget director, later admitted that all of this was "a Trojan horse to bring down the top rate for the wealthy."

There they go again.

WE MUST PUT AN END TO OUT-OF-CONTROL GOVERNMENT AND OUT-OF-CONTROL TAXATION

(Mr. HAYWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, let us resist the temptation of the guardian of the failed policy of the past to come up here and offer faulty rationalizations for class warfare. Let us talk real facts. And, Mr. Speaker, the facts speak for themselves.

In 1950 the average American family paid 2 percent of its income to the Federal Government in taxes. Today, the average American family pays 24½ percent of its income to this Federal Government. Something is wrong with this picture.

For the last generation, this Congress has operated under the false assumption that all money belongs to the Federal Government. If a person has any money, therefore, it is only because he has obtained it from the Government or it is money that has not yet been taxed.

That is absolutely wrong. With the rise in excessive government and excessive taxes have come a true decrease in freedom. Every dollar Government takes away in taxes is a dollar less in economic freedom for American businesses and families.

Last November the American people sent a message to this town. Republicans heard that message. That is why there will be meaningful tax reform for deserving American citizens.

□ 1415

ANOTHER IMPORTANT DIFFERENCE BETWEEN DEMOCRATS AND REPUBLICANS

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, this week the American people will have the opportunity to see another important difference between Democrats and Republicans in Congress.

Democrats are for higher taxes, and last year, they went along with the Clinton administration and raised taxes on families, on middle-income workers, on senior citizens.

Republicans are for lower taxes, and this week, we will cut the taxes Democrats raised last year.

We will cut taxes on families, on middle-income workers, on senior citizens.

All the Democrats' class warfare and economic warfare rhetoric cannot change the facts: They are for higher taxes; Republicans are for lower taxes.

Democrats want Government to spend more. Republicans want working Americans and their families to have more to spend.

Stay tuned, America; the Republicans are making your voices heard again this week as we pass the final item in our contract, a well-deserved tax cut for American families and a boost for the national economy.

THE TAX FAIRNESS ACT

(Mr. NORWOOD asked and was given permission to address the House for 1 minute.)

Mr. NORWOOD. Mr. Speaker, over and over, we hear the Democrats wailing that the capital gains tax cut will benefit the rich. Of course, they have obscured the facts again. The capital gains relief in the Tax Fairness Act will go to benefit all income groups. Seventy percent of the taxpayers benefiting from the capital gains cut will have incomes of less than \$50,000. The capital gains tax cut will put money into the economy which will lead to more investment and create more jobs. This will help all hard-working Americans.

Mr. Speaker, this is a debate over the role of Government. The Democrats will fight for more government and more spending; we want the people back home to keep more of their hard-earned money. I want that roofing contractor in Martinez, GA to have a \$500 tax credit for each of his children. The Democrats want his \$500 for Federal bureaucrats. It is just that simple.

THE AMERICAN DREAM SAVINGS ACCOUNT

(Mr. ENGLISH of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ENGLISH of Pennsylvania. Mr. Speaker, our low national savings rate is a national disgrace and a dead drag on the productivity of our economy, and anyone who is concerned about this, in my view, should be supporting H.R. 1215, the Republican tax bill.

In it is the American dream savings account, a unique and innovative new use of the IRA concept to stimulate new and additional middle-class savings for retirement. The American dream savings account will be available to all taxpayers regardless of age and marital status, unlike the current law in which the IRA has many restrictions and limitations. The American dream savings account allows distributions to be made tax- and penalty-free for such worthwhile purposes as first-time home purchases, education expenses, and emergency medical expenses, and it gives homemakers full equity with their spouses in setting aside IRA funds toward retirement.

This provision helps make homemakers achieve parity with spouses in the work force.

Please, support H.R. 1215.

TAX RELIEF FOR AMERICA

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, let us review the Democrats' reign in power. In 1948 the average family with children paid only 3 cents of every dollar to the Government. Last year that same family lost 24½ cents in taxes.

American families now spend more in taxes than on food, clothing, and housing combined. The average family losses \$10,060 per year of income due to taxes.

Now let us review the Republican plan. Clinton's tax on Social Security benefits for seniors will be repealed; families with incomes of \$25,000 will have their entire Federal income tax liability eliminated; 35 million families will have their taxes decreased.

Which looks better to you, Republican tax relief or the Democrats' 40-year-old failure of high taxes and run-away spending?

Let us stop feeding the Federal beast. Let us go for tax relief.

CONGRATULATIONS TO THE UNIVERSITY OF CONNECTICUT WOMEN'S BASKETBALL TEAM

(Mrs. JOHNSON of Connecticut asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. JOHNSON of Connecticut. Mr. Speaker, Hooray for the University of Connecticut Women's Basketball Team, which won the national championship yesterday. In a come-from-behind victory, the Huskies capped a perfect season, finishing the year with 35 wins and zero losses. Just one other

team in women's basketball history has managed to win the national title undefeated.

For the past 5 months, the Huskies have defeated their opponents by an average margin of more than 30 points. Though yesterday's game was a nail-biter to the end, UConn did not let us down. Led by player of the year Rebecca Lobo, Jamelle Elliott, and Jennifer Rizzotti, the Huskies rallied in the second half to overcome a nine point second half deficit. A strong team effort, supported by Kara Wolters, Nykesha Sales, Carla Berube, and Pam Webber, helped UConn pull ahead and stay ahead within the final minutes of the game.

Women's sports have come a long way since I played basketball and I was pleased to be able to watch the extraordinary skill and grit of the UConn women on national television yesterday. The UConn women's team has raised Husky-mania to a new level in Connecticut, and has also inspired thousands of young women to pursue their athletic dreams.

Once again, congratulations to the UConn Huskies. You have made the entire State of Connecticut proud.

TAX BREAKS FOR BILLIONAIRES

(Mr. ABERCROMBIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ABERCROMBIE. Mr. Speaker, last week a bill passed on tax deductions for health benefits for the self-employed. Unfortunately we had a containment; contained within that bill is an exemption to allow billionaires to escape paying their taxes.

Now, I understand they are going to give up their citizenship in order to not pay their taxes. My understanding is the present conference report is being held in the Senate over that language. I certainly hope that is the case.

In the meantime, having succeeded at that, we now find, I understand, that there is a bill circulating in this House to give one of these billionaires who renounced his American citizenship, who owns a foreign cruise ship, a tax exemption, tax deduction, for business meals and entertainment, and that is contained in the bill.

I can assure you, if the gentleman from Texas [Mr. ARMEY] says, as he has, that he will fight the minimum wage with every fiber in his body, I can assure this House that I will fight this billionaire who has renounced his American citizenship to have a foreign-flag, foreign-crewed, foreign-owned cruise ship that takes money from Americans and get a tax break on top of it.

You can bet I am going to fight that with every fiber in my body.

ANOTHER CLASS-WARFARE ANGLE

(Mr. LINDER asked and was given permission to address the House for 1 minute.)

Mr. LINDER. Mr. Speaker, well, there was an example of the misleading hyperbole that we have heard for the last several weeks on Republican programs.

My friend from Hawaii talks about a bill that passed last week that protected billionaires and, in fact, the bill never addressed the issue. It never addressed the issue.

The Senate put some language in a bill that would have dealt with punishing people who leave the United States because of confiscatory taxation. The Senate then receded from their position, because the language was too loose, and the House Committee on Ways and Means could not draft language.

Indeed, in the Committee on Rules in discussion of this bill, the issue was raised, and the Democrats dropped the issue and apologized for the misleading information they brought us, because it was not in the bill. It was not in the House-passed bill. It was not in the conference committee report. And, indeed, not a single Democrat on the Committee on Rules voted against the rule that brought the bill to the floor, and now overnight, overnight, they discovered another class-warfare angle and started misleading America about what was in the bill.

The bill was to return the exemption for health care premiums for single farmers, for private property owners that had nothing to do with what the gentleman from Hawaii spoke about.

LISTEN TO THE RHETORIC ON BOTH SIDES

(Mr. HASTERT asked and was given permission to address the House for 1 minute.)

Mr. HASTERT. Mr. Speaker, as the House considers the tax cut and spending cut bill later this week, I urge the American people to listen to the rhetoric of the two sides.

Republicans believe cutting taxes is a way to give people back their money.

Democrats believe cutting taxes is a way for the Government to give away its money.

Republicans believe that tax cuts spur economic growth and help the American people help themselves.

Democrats believe tax cuts are giveaways to the rich that hurt their big spending programs.

Republicans believe that taxes are evil.

Democrats believe they are necessary.

Mr. Speaker, make no mistake about it. When the Democrats talk about taxes, they really believe the money is the Government's to spend.

When Republicans talk about taxes, they realize that the money belongs to the people who worked hard to earn it, not to the Government.

1994 ANNUAL REPORT ON ALASKA'S MINERAL RESOURCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore [Mr. BARRETT of Nebraska] laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Resources:

To the Congress of the United States:

I transmit herewith the 1994 Annual Report on Alaska's Mineral Resources, as required by section 1011 of the Alaska National Interest Lands Conservation Act (Public Law 96-487; 16 U.S.C. 3151). This report contains pertinent public information relating to minerals in Alaska gathered by the U.S. Geological Survey, the U.S. Bureau of Mines, and other Federal agencies.

WILLIAM J. CLINTON.

THE WHITE HOUSE, April 3, 1995.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered or on which the vote is objected to under clause 4 of rule XV. Such rollcall votes, if postponed, will be taken after debate is concluded on all motions to suspend the rules, but not before 5 p.m. today.

FISHERMEN'S PROTECTIVE ACT AMENDMENTS

Mr. SAXTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 716) to amend the Fishermen's Protective Act.

The Clerk read as follows:

H.R. 716

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT TO THE FISHERMEN'S PROTECTIVE ACT OF 1967.

(a) Section 3(a) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1973(a)) is amended by inserting after "prompt release of the vessel and crew," the following: "or when a fee regarded by the United States as being inconsistent with international law must be paid for a vessel of the United States to transit the waters of a foreign nation on a voyage between points in the United States (including a point in the exclusive economic zone or an area whose jurisdiction is in dispute)."

(b)(1) Section 5 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1975) is amended by inserting after "seizure;" in the title, the following: "or imposition of a fee regarded by the United States as inconsistent with international law".

(2) Section 5(a)(1)(A) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1975(a)) is amended by inserting after "as a result of the seizure of," the following: "or imposition of a fee regarded by the United States as inconsistent with international law on".

(c) Subsections (a) and (b) shall take effect on June 15, 1995.

(d) Section 7 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1977) is amended—

(1) in subsection (c)—

(A) by striking the third sentence, and

(B) by inserting after the first sentence the following: "Fees may be collected regardless of whether needed to carry out the purposes of subsection (a)."; and

(2) in subsection (e) by striking "October 1, 1993" and inserting "October 1, 1998".

SEC. 2. CLEARANCE AND ENTRY OF COMMERCIAL FISHING VESSELS.

(a) Not later than 15 days after the date of enactment of this Act and at least once each year thereafter, the Secretary of State shall publish a list of those nations that impose fees for transit passage through their waters on commercial fishing vessels registered under the laws of the United States.

(b) Not later than 15 days after the publication of the list required under subsection (a), the Secretary of the Treasury shall withhold from commercial fishing vessels registered under the laws of a nation listed under subsection (a) the clearance required by section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91) for entry into the navigable waters of the United States west of 122 degrees west longitude.

(c) Subsection (b) shall not apply to a commercial fishing vessel—

(1) that enters the navigable waters of the United States pursuant to a bilateral convention governing fishing for Pacific halibut or albacore tuna;

(2) that enters the navigable waters of the United States due to an emergency; or

(3) the master of which obtains clearance from the Secretary of the Treasury's designee by physically appearing before the designee at a designated port of entry and paying a fee equal to the fee charged to a commercial fishing vessel of the United States by the nation under whose laws the foreign vessel is registered.

(d) The owner or master of a vessel which enters the navigable waters of the United States in violation of this section shall be in violation of section 307(l)(A) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1857(l)(A)).

SEC. 3. TECHNICAL CORRECTION.

(a) Section 15(a) of Public Law 103-238 is amended by striking "April 1, 1995," and inserting "May 1, 1994."

(b) The amendment made by subsection (a) shall be effective on and after April 30, 1994.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey [Mr. SAXTON] will be recognized for 20 minutes, and the gentleman from Massachusetts [Mr. STUDDS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, I yield myself such time as I may consume.

(Mr. SAXTON asked and was given permission to revise and extend his remarks.)

Mr. SAXTON. Mr. Speaker, I rise in strong support of H.R. 716, to reauthorize and improve the Fishermen's Protective Act. Originally enacted in 1967, this law established a system of economic safeguards for U.S. fishermen against illegal or unjustified seizure by a foreign government. One of these safeguards is the Fishermen's Guaranty Fund—which is a voluntary self-insurance program administered by the

State Department. The fund compensates fishermen for vessels and catch confiscated by a foreign nation under claims of jurisdiction not recognized by the United States.

The amount of money each vessel owner pays into the program is based on the gross tonnage of the vessel. For example, during the history of the program the fees have ranged from \$16 to \$30 per vessel ton with participation ranging from 8 to 30 vessels, depending on the year. Disbursements or claims paid out from the fund have averaged less than \$1 million each year. The largest claim occurred in 1984 for \$5.5 million for a vessel that had been seized and ransacked off the Solomon Islands.

In 1986, a Federal court in the Brenda Jolene versus United States case decided that fees collected under the act must equal the amount Congress appropriates. Since historically, the President has not requested an appropriation, the State Department has been unable to collect additional fees. While there is approximately \$2.9 million in the fund, there is a large settlement case pending from the seizure of four tuna boats off the coast of Costa Rica in 1992, and any further claims would deplete the assets of the fund.

The passage of this legislation is sorely needed due to unfair and illegal actions by the Canadian Government. Last year, the Canadian Government charged U.S. fishermen \$1,100 each to access the Inside Passage. The Canadians stopped the charge, but not before many U.S. fishermen were subjected to it to the amount of \$285,000. We must amend the Fishermen's Protective Act so these American fishermen can be compensated for the unfair charge.

During this crisis last year, the former Merchant Marine and Fisheries Committee was quick to act. Similar legislation was adopted by the committee and passed the House as part of a larger bill on October 7, 1994.

Mr. Speaker, I urge all of my colleagues to support this legislation and thank the chairman of the full committee, DON YOUNG, for introducing this bill, and the ranking minority member on the Fisheries, Wildlife and Oceans Subcommittee, GERRY STUDDS, for his support of this legislation.

□ 1430

Mr. Speaker, I reserve the balance of my time.

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

(Mr. STUDDS asked and was given permission to revise and extend his remarks.)

Mr. STUDDS. Mr. Speaker, I rise in strong support of H.R. 716. The Fishermen's Protective Act of 1967 provides a mechanism for assisting U.S. fishermen by reimbursing them for fines and other costs incurred when their vessels are seized by a foreign nation, in violation of international law.

H.R. 716 reauthorizes this important act for an additional 2 years. The legislation also amends the statute to reimburse our fishermen for transit fees considered by our Government to be inconsistent with international law, and to assess a similar fee on vessels from the offending nation. These amendments are intended to address what was, in my opinion, an illegal move by Canada last year to charge U.S. vessels transiting Canadian waters en route to Alaska. While that fee was finally lifted, many fishermen were forced to pay and deserve reimbursement.

While I support these amendments, I want to be very clear that this legislative action should not be interpreted by the Canadian Government as a sign that we are willing to accept—or forget—this outrageous action taken against our fishermen purportedly in the name of conservation. The Canadian-Spanish shootout in the Northwest Atlantic last month, combined with last year's illegal transit fees, demonstrates a worrisome trend toward the use of unilateral actions to resolve international fisheries disputes on the high seas. Some of these actions are based on a conservation concern, others—such as the transit fees—are simply taken out of frustration over the slow pace of negotiations.

Regardless of the reason, unilateral actions such as these are not the answer. Instead, the Canadians, and all coastal nations, should seek to address these problems multilaterally through international agreements. The drastic, unilateral actions of one country cannot protect and restore our marine resources. All countries with a stake in the fishery must participate if we are to be successful, and they must be willing to agree to multilateral enforcement mechanisms to ensure that the terms of such agreements are not violated.

This Congress has passed several pieces of legislation in the past few weeks that will strengthen the U.S. resolve toward multilateral, cooperative management, and we will continue to encourage these efforts. In the meantime, this bill will protect U.S. fishermen from those countries that choose to take matters into their own hands, and I urge Members to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. SAXTON. Mr. Speaker, I yield such time as he may consume to the gentleman from Alaska [Mr. YOUNG].

(Mr. YOUNG of Alaska asked and was given permission to revise and extend his remarks.)

Mr. YOUNG of Alaska. I thank the gentleman for yielding this time to me.

Mr. Speaker, as the author of H.R. 716, I rise in strong support of this measure to reauthorize and improve the Fishermen's Protective Act of 1967.

Mr. Speaker, one of the major motivations for this legislation was an incident that occurred last year when 258 United States fishermen were unfairly

charged \$1,100 each by the Canadian Government to sail through the Inside Passage. While we were successful in convincing the Canadians to stop collecting these illegal transit fees, the Fishermen's Protective Act [FPA] must be amended to allow these Americans to be compensated for their financial loss.

My bill would reauthorize the FPA for the next 3 years; allow money to be deposited in the Fishermen's Guaranty Fund, regardless of whether Congress appropriates any money; expand the compensation provision to cover those Americans who paid the illegal fee assessed by the Canadians; and prohibit port entry to the vessels of any nation that assesses illegal fees on our vessels in the future.

Furthermore, we are making it clear that we will fully protect the rights of U.S. fishermen. We will not allow Canada, or any nation, to violate international maritime law or fishing treaties without a swift response.

I fully expect the United States State Department to vigorously seek reimbursement of these fees from the Canadians and not to simply make some weak or half-hearted effort because it may be inconvenient to our relationship with Canada. They broke the law and I want the more than \$285,000 the Canadians collected paid back to our fishermen.

Mr. Speaker, I urge an "aye" vote on H.R. 716 and thank JIM SAXTON and GERRY STUDDS for their bipartisan subcommittee support in joining with me in this important legislative effort.

Mr. SAXTON. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington [Mr. METCALF].

Mr. METCALF. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise today in strong support of H.R. 716, the Fishermen's Protective Act. While this is an important piece of legislation to fishermen across the country, the provisions of H.R. 716 are particularly vital to the salmon fishermen in the State of Washington. The United States and Canada have been engaged in negotiations, almost unending negotiations, since the Pacific Salmon Treaty was negotiated. Last summer, fishermen from my district in Washington State left for the annual trip north to fish in Alaskan waters. This 500 mile journey is usually a pleasant passage, I have made the round trip 3 times, incredibly scenic, mostly through calm, inside passage channels and bays. But in 1994, our fishermen were stopped by the Canadian Government, and forced to pay an illegal transit fee of approximately \$1,100 per vessel, just for passing through Canadian waters. The U.S. fishermen had to pay the fee, or make the transit in the rough, open waters of the Pacific Ocean.

Mr. Speaker, for 500 years, the British have supported freedom of the seas and open waterways for trade. It seems

ridiculous that in 1994, Canada no longer believes in this principle. But with the salmon treaty differences still not resolved, the prospect of this happening again this spring is very real.

The provisions of H.R. 716 will allow for the repayment of these fees to the fishermen involved, and provide the financial protections required to make the transit this year, should the Canadians impose this fee again. Mr. Speaker, it is my hope that the United States and Canada can reach agreement on a new Pacific Salmon Treaty before the start of this year's salmon season. If we should not, then the Congress must provide this method so the fishermen can establish the program contained in H.R. 716.

Mr. Speaker, I urge all of my colleagues to support our fishermen by supporting H.R. 716.

Mr. STUDDS. Mr. Speaker, I am as surprised as the gentleman from New Jersey [Mr. SAXTON] to learn that there will be a recorded vote on this measure.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. SAXON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just conclude by saying that on most issues, almost every issue with which we deal having to do with fishing and fisheries is complicated, contentious, confusing, confounding, and many other words that we could express that would indicate anything less than simple. This is one of the more simple issues that we deal with, but one that is very timely and one that is much needed.

Mr. Speaker, I have no further request for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentleman from New Jersey [Mr. SAXTON] that the House suspend the rules and pass the bill, H.R. 716.

The question was taken.

Mr. SAXTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. SAXTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and submit extraneous material in the RECORD, on the bill, H.R. 716.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

SENSE OF THE HOUSE REGARDING AMERICAN CITIZENS HELD IN IRAQ

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 120) expressing the sense of the House of Representatives regarding the American citizens held in Iraq, as amended.

The Clerk read as follows:

H. RES. 120

Whereas on Saturday, March 25, 1995, an Iraqi court sentenced 2 Americans, William Barloon and David Daliberti, to 8 years imprisonment for allegedly entering Iraq without permission;

Whereas the 2 men were tried, convicted, and sentenced in what was reported to be a very brief period during that day with no other Americans present and with their only legal counsel having been appointed by the Government of Iraq;

Whereas the Department of State has stated that the 2 Americans have committed no offense justifying imprisonment and has demanded that they be released immediately; and

Whereas this harsh sentence is unjustified and further distances Iraq from the international community: Now, therefore, be it

Resolved, That the House of Representatives—

(1) strongly condemns the unjustified actions taken by the Government of Iraq against American citizens William Barloon and David Daliberti and demands their immediate release from prison and safe exit from Iraq; and

(2) urges the President to take all appropriate action to assure their prompt release and safe exit from Iraq.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York [Mr. GILMAN] will be recognized for 20 minutes, and the gentleman from Indiana [Mr. HAMILTON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I yield such time as he may consume to the principal sponsor of this measure, the distinguished gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. I thank the gentleman for yielding this time to me.

Mr. Speaker, let me begin by thanking Senator HARKIN, who sponsored a similar resolution in the Senate last week, as well as the chairman of the International Relations Committee, my good friend and distinguished colleague from New York, BEN GILMAN; I want to thank his committee staff, and the majority leader's office for their very prompt attention to this matter.

Mr. Speaker, the resolution we are considering today is important to let the world know that the United States House of Representatives unequivocally expresses disapproval for the nation of Iraq for wrongfully imprisoning two American citizens, David Daliberti and William Barloon. The resolution urges the immediate release of these two Americans and calls on the President to take all appropriate actions to secure their safe exit from Iraq. Moreover, the resolution makes perfectly clear that Iraq has absolutely nothing

to gain and much to lose by continuing to hold these two men.

For 21 days now David Daliberti and William Barloon have languished behind bars in an Iraqi prison for what Iraqi authorities allege was an illegal crossing of their border. On March 13, on their way to visit a friend at a U.N. post along the Kuwait-Iraq border, the two men strayed into an area they say contained U.N. markings, but which the Iraqis claim was on their soil. On March 25, after what was reportedly a quick trial in which the only representation the Americans had was an attorney appointed by the Iraqi Government, the two men were sentenced to 8 years in prison—8 years in prison for taking a wrong turn.

My colleagues, their trial and harsh sentence are wrong. David Daliberti and William Barloon are innocent United States citizens who were taken against their will and now are being held in an Iraqi prison living off a weak diet of rice. Iraq's actions are indefensible on any grounds, but especially so in this case since the facts show so clearly that the men are completely innocent. We must go on record condemning this injustice and calling on the White House to take every conceivable measure to secure the release of these men.

To bring my colleagues up to date on this case, the latest news out of Iraq gives us hope that these Americans can expect an early release. The news is contradictory and confusing. On Saturday, a representative from the Iraqi Parliament's foreign-relations department hinted that the two men could be released in the coming few days—an encouraging sign. But yesterday the Iraqi Defense Ministry's newspaper said the Americans are no different from Mexicans trying to enter the United States illegally, an absurd charge that makes us wonder what the Iraqis are up to. But yesterday also saw Iraq extend to 1 month from the usual 2 weeks the amount of time the two men have to appeal their sentence, which Iraqi law experts interpret as a positive sign.

These crossed signals do nothing to help Iraq's position and only torment the families of Daliberti and Barloon, who simply want to see their loved ones returned to them as soon as possible. Surely Iraq knows that holding these men serves no purpose whatsoever. Just last week the head of the Iraqi Parliament admitted as much when he said, and I quote, "We don't think that we are going to facilitate the question of the sanctions through detaining these two Americans."

While continuing to hold these men does nothing to benefit Iraq, releasing them would. Iraq is already alienated from the community of civilized nations. Releasing Daliberti and Barloon can only improve their standing in the eyes of the world. Let me repeat as Secretary of State Warren Christopher said yesterday, releasing these men "would be a good thing for the inter-

national reputation of Iraq. It would be an adverse thing to hold them."

Lest anyone has any doubt as to the innocence of Daliberti and Barloon, let me assure you that every fact in this case indicates they were nothing more than what they claim to be—innocent victims who made a wrong turn. But it was not even a wrong turn due to their own error. As the two men were headed to the U.N. compound to visit a friend, the United Nations Iraq-Kuwait observer mission positioned along the border misdirected them, as even they admit. What happened next, according to Daliberti and Barloon, is that they found themselves driving past two unmanned Kuwaiti checkpoints into an area posted with U.N. markings. It was at this point they were apprehended by the Iraqis and whisked away.

Iraqi suggestions that these men were in any way spies or saboteurs are ludicrous. At the trial of the men in Baghdad, even their Iraqi-appointed attorney said they were carrying no weapons, no maps, no cameras, no compasses—nothing, in other words, that could indicate these men were anything other than victims of an unfortunate mistake. And according to the Polish diplomat who attended the trial as a representative of the United States, even the judge in the case seemed sympathetic to the plight of Daliberti and Barloon. But Iraqi law on such matters is ironclad and says any crossing whatsoever of their border must be punished, in this case with an 8-year sentence.

As it stands now, Daliberti and Barloon have begun to appeal their sentence with the assistance of an Iraqi lawyer—the same lawyer who has helped other Westerners appeal their sentences for crossing Iraq's border. Unfortunately, that lawyer has never successfully overturned the verdict in such a case, which has led some to suggest that only a pardon from Saddam Hussein himself can effect their release.

My colleagues, the families of Daliberti and Barloon need to know that we are with them, that we support them during this trying time. It is the least we can do to stand up and condemn Iraq for this outrageous action and demand that these two citizens be released immediately. I know that Kathy Daliberti, with whom I have spoken, is on an emotional roller-coaster ride as she follows this situation. Let us let her know that her Government is doing everything within its power to secure the prompt release of her husband and to bring him safely home. Those of you who have been following this story know that Kathy Daliberti has even set up a home page on the Internet so people from around the country can express their support. I encourage my colleagues to send her a message letting her know that she is not alone, that her Government does care.

When I met with officials from the State Department last Friday they assured me that everything is being done that can be done to secure the release of these two men. As you know, we have no diplomatic relations with Iraq. But Polish diplomats, who have an Embassy in Iraq, are working tirelessly on behalf of the United States in this matter. We were all encouraged last week when the head of the Polish Embassy visited with Daliberti and Barloon and said they appeared to be in good health.

In the meantime, we as the elected Representatives of the American people need to unite and speak with one voice in condemnation of Iraq. We need to express our sympathy and support for the families of Daliberti and Barloon. And we need to urge the administration to do everything within its power to bring these men safely home.

I know all of my colleagues will support House Resolution 120 as an expression of our commitment to the safety of all of our citizens, whether at home or abroad.

□ 1445

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume.

(Mr. HAMILTON asked and was given permission to revise and extend his remarks.)

Mr. HAMILTON. Mr. Speaker, I rise in support of this resolution, as amended. I want to extend my appreciation and accommodation to the chairman of the committee, the gentleman from New York [Mr. GILMAN], and, likewise, to the gentleman from Florida [Mr. STEARNS], my colleague, for bringing this resolution to the floor of the House.

Mr. Speaker, on March 13 two Americans, William Barloon and David Daliberti, as has been described, accidentally crossed the Iraqi-Kuwaiti border while on their way to visit a U.N. compound in Kuwait. Mr. Barloon and Mr. Daliberti were detained by Iraqi authorities, imprisoned, convicted, and sentenced on March 25 to 8 years in prison for illegally entering Iraq. The treatment of these two Americans is an outrageous abuse by the Government of Iraq. These Americans were denied any semblance of due process. Mr. Barloon and Mr. Daliberti were sentenced after only a little over 1 hour of deliberation. They were denied adequate counsel. They were represented by an Iraqi-appointed legal counsel, and no other Americans were present. The International Red Cross was denied access to them.

It is apparent that the Government of Iraq is manipulating these two Americans to force the United States to change its policy toward Iraq. We should send a very clear message to the Government of Iraq that this time of blackmail simply will not work. The administration is working hard, I believe, to secure the release of these two Americans, and I believe that this resolution will strengthen the administra-

tion's hands in those efforts. The resolution shows the clear unity of purpose between the President and the Congress in demanding the immediate release from prison of these two Americans and their safe exit from Iraq.

Mr. Speaker, I urge my colleagues to support the resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska [Mr. BEREUTER], a senior member of our Committee on International Relations.

Mr. BEREUTER. Mr. Speaker, this Member rises in the strongest possible support for House Resolution 120, legislation condemning the recent outrageous behavior of Iraq in seizing and incarcerating two American citizens.

It has been over 4 years since the end of the Persian Gulf conflict, but Saddam Hussein and his band of thugs continue to flaunt basic international norms, seemingly at every opportunity. For example, Saddam Hussein continues to let his people starve because he refuses to pump oil and provide the proceeds into international humanitarian organizations. People are starving, the economy is in a shambles, but Saddam's military remains intact. Iraq has waged a vicious war against the Marsh Arabs in the south, and with the Kurds in the north. Iraq has waged a clever campaign to lift the sanctions that the United Nations imposed, but it continues in every way to behave as an outlaw.

The most recent outrage is the seizure of William Barloon and David Daliberti, two civilian Americans who were seized as they went to visit a friend at a U.N. compound just south of the Iraq-Kuwait border. Lost and having strayed across the border, Iraqi military forces seized these two Americans, charged them with sabotage, and sentenced them to 8 years in prison in what was patently a kangaroo court.

Mr. Speaker, civilized societies do not behave in this manner. Responsible governments do not impose trumped up charges against innocent civilians in an effort to achieve foreign policy objectives.

This Member must note that, if the Government of Iraq hopes to enhance its international image, this is not the way to accomplish this goal. The wholly unwarranted imprisonment of William Barloon and David Daliberti only serve to reinforce the consensus that Iraq is not ready to behave responsibly.

In the face of this outrage, this body needs to speak in a clear and unequivocal voice and urge the immediate release of Mr. Barloon and Mr. Daliberti. This Member commends the distinguished gentleman from Florida [Mr. STEARNS] for bringing House Resolution 120 before this body, and the distinguished gentleman from New York, the chairman of the International Relations Committee [Mr. GILMAN], for his cooperation in bringing this resolution to the floor.

Mr. Speaker, this Member urges adoption of House Resolution 120.

Mr. GILMAN. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. NUSSLE].

(Mr. NUSSLE asked and was given permission to revise and extend his remarks.)

Mr. NUSSLE. Mr. Speaker, I rise in support of House Resolution 120—a resolution regarding the American citizens held in Iraq. I commend the gentleman from Florida [Mr. STEARNS] and the gentleman from New York [Mr. GILMAN] for their leadership on this issue.

It is a tragedy that William Barloon, of New Hampton, IA, and another American, David Daliberti, who mistakenly strayed across Kuwait's border and into Iraq, have received the extremely harsh sentence of 8 years in prison. I am encouraged by recent statements by Iraqi officials that the two men could be released in the near future, and I urge President Clinton and Secretary of State Christopher to continue their work to secure the release and safe return from Iraq of Mr. Barloon and Mr. Daliberti.

Mr. Speaker, I support these two Americans, and I stand with their families and all Americans when I urge for their safe, speedy return and pray for that to happen as soon as possible.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I am pleased to rise in strong support of the resolution before us, House Resolution 120, introduced by our colleague, the gentleman from Florida [Mr. STEARNS], expressing the sense of Congress condemning the outrageous actions taken by Saddam Hussein's rogue regime in sentencing two American citizens, William Barloon and David Daliberti, to lengthy prison terms for having inadvertently crossed the Kuwaiti border into Iraq.

These two Americans were denied access to due process, with their legal counsel having been appointed by the Iraqi regime. It is only through the good offices of the Polish Embassy, which represents United States interest in Iraq, that the two men have received any sympathetic assistance or counsel.

Saddam Hussein's regime has been apprised repeatedly of the mishap in which the two men inadvertently crossed the border in a white van presumably a U.N. vehicle, but this honest error has been dismissed in favor of a purposeful miscarriage of justice.

In the best tradition of Congress, Mr. STEARNS has introduced this measure on behalf of his constituent, David Daliberti. House Resolution 120 condemns the Government of Iraq for its punitive actions against these two men, and urges the President to take

all appropriate action to secure their prompt release and safe exit from Iraq.

This incident, which has captured worldwide headlines, is yet another example of the unyielding position assumed by Saddam Hussein which compels the international community to maintain sanctions against Iraq. Such activity by the Iraqi Government further distances it from the community of civilized nations.

Mr. Speaker, I commend Representative STEARNS' commitment to his constituents through the introduction and consideration of House Resolution 120. We all hope that a swift resolution of this international incident will soon free Mr. Daliberti and Mr. Barloon. Accordingly, I urge my colleagues to adopt this resolution.

Ms. BROWN of Florida. Mr. Speaker, it saddens and angers me that Jacksonville resident, Mr. David Daliberti, and another American, Mr. Bill Barloon, have been detained in Iraq.

All indications are that the incident was a result of innocent mistakes. Mr. Daliberti, without hesitation, authorized the release of information about his case. The United Nations Iraq Kuwait Observer Mission [UNIKOM] has admitted that the Americans' crossing into Iraq was their error. During the recent trial, Mr. Daliberti and Mr. Barloon had a court appointed attorney who argued on their behalf but the judge found them in violation of an Iraqi residency law and sentenced them to 8 years in prison. I am outraged by the imprisonment of innocent Americans and join with my colleagues in condemning this action. Saddam Hussein should immediately pardon and release these two Americans.

I have urged President Clinton to use all necessary measures to bring this situation to a swift, negotiated and peaceful conclusion. I am continuing to monitor this international situation through daily contact with White House advisors and with the State Department. I am hopeful that the Americans will soon be returned to their awaiting friends and family.

Currently, the Clinton administration is working with Polish authorities who are our protecting power in Baghdad and through other diplomatic channels to obtain the release of these Americans. I strongly support the President's efforts to resolve this grave obstruction of justice and believe that these Americans should be released by Iraq immediately.

I pledge to do all that I can to work with the administration to resolve this situation quickly and peacefully.

In closing, I wish to express my concern and very strong support for Mr. Daliberti's wife, other relatives, and friends.

Mrs. FOWLER. Mr. Speaker, I rise today to express my strong support for House Resolution 120, a resolution that our colleague CLIFF STEARNS has introduced on behalf of two Americans who are currently being detained in Iraq.

David Daliberti of Jacksonville, FL, and William Barloon of New Hampton, IA, were taken into custody, tried, convicted, and sentenced to 8 years in prison by Iraqi authorities because they took a wrong turn at an unmarked intersection, were erroneously allowed to proceed by U.N. troops, and inadvertently found themselves in territory controlled by Iraqi forces. United Nations officials have conceded

that the United Nations was in error in allowing them to proceed.

In virtually any other nation, these individuals would have been allowed to go on their way after a cursory evaluation of the situation by the local authorities.

It is plainly apparent, however, that Saddam Hussein is attempting to use this inadvertent entry in an effort to exert pressure on the United States to lift current U.N. sanctions against Iraq. This strategy is misguided. Iraq would do better to divorce the sanctions matters from the case of the two Americans, because efforts to connect the two situations will only lead the American people to conclude that the Iraqi leadership is attempting to manipulate our Nation and will encourage further resolve against any normalization of our relations.

Mr. Speaker, the prompt resolution of this strictly non-political matter is in Iraq's best interest. I urge all of my colleagues to support this measure and hope that Saddam Hussein and other parties interested in a safe and stable Middle East will take heed of the strong sentiments of the American people in this regard.

Mr. GILMAN. Mr. Speaker, I yield back the balance of my time.

Mr. HAMILTON. Mr. Speaker, I, too, yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentleman from New York [Mr. GILMAN] that the House suspend the rules and agree to the resolution (H. Res. 120), as amended.

The question was taken.

Mr. STEARNS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1500

DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE ACT OF 1995

Mr. CLINGER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1345) to eliminate budget deficits and management inefficiencies in the government of the District of Columbia through the establishment of the District of Columbia Financial Responsibility and Management Assistance Authority, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1345

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "District of Columbia Financial Responsibility and Management Assistance Act of 1995".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings; purpose.

TITLE I—ESTABLISHMENT AND ORGANIZATION OF AUTHORITY

- Sec. 101. District of Columbia Financial Responsibility and Management Assistance Authority.
- Sec. 102. Executive director and staff of Authority.
- Sec. 103. Powers of Authority.
- Sec. 104. Exemption from liability for claims.
- Sec. 105. Treatment of actions arising from act.
- Sec. 106. Funding for operation of Authority.
- Sec. 107. Suspension of activities.
- Sec. 108. Application of laws of District of Columbia to Authority.

TITLE II—RESPONSIBILITIES OF AUTHORITY

Subtitle A—Establishment and Enforcement of Financial Plan and Budget for District Government

- Sec. 201. Development of financial plan and budget for District of Columbia.
- Sec. 202. Process for submission and approval of financial plan and annual District budget.
- Sec. 203. Review of activities of District government to ensure compliance with approved financial plan and budget.
- Sec. 204. Restrictions on borrowing by District during control year.
- "Sec. 601. Transitional provision for short-term advances.
- "Sec. 602. Short-term advances for seasonal cash-flow management.
- "Sec. 603. Security for advances.
- "Sec. 604. Reimbursement to the Treasury.
- "Sec. 605. Definitions.
- Sec. 205. Deposit of annual Federal payment with Authority.
- Sec. 206. Effect of finding of non-compliance with financial plan and budget.
- Sec. 207. Recommendations on financial stability and management responsibility.
- Sec. 208. Special rules for fiscal year 1996.
- Sec. 209. Control periods described.

Subtitle B—Issuance of Bonds

- Sec. 211. Authority to issue bonds.
- Sec. 212. Pledge of security interest in revenues of district government.
- Sec. 213. Establishment of debt service reserve fund.
- Sec. 214. Other requirements for issuance of bonds.
- Sec. 215. No full faith and credit of the United States.

Subtitle C—Other Duties of Authority

- Sec. 221. Duties of Authority during year other than control year.
- Sec. 222. General assistance in achieving financial stability and management efficiency.
- Sec. 223. Obtaining reports.
- Sec. 224. Reports and comments.

TITLE III—MISCELLANEOUS PROVISIONS

- Sec. 301. Other District budget reforms.
- Sec. 302. Establishment of Chief Financial Officer of District of Columbia.
- Sec. 303. Revisions to powers and duties of Inspector General of District of Columbia.
- Sec. 304. Council approval of certain contracts.
- Sec. 305. Definitions.

SEC. 2. FINDINGS; PURPOSE.

(a) FINDINGS.—Congress finds the following:

(1) A combination of accumulated operating deficits, cash shortages, management inefficiencies, and deficit spending in the current fiscal year have created a fiscal emergency in the District of Columbia.

(2) As a result of its current financial problems and management inefficiencies, the District of Columbia government fails to provide its citizens with effective and efficient services in areas such as education, health care, crime prevention, trash collection, drug abuse treatment and prevention, human services delivery, and the supervision and training of government personnel.

(3) The current financial and management problems of the District government have already adversely affected the long-term economic health of the District of Columbia by causing the migration of residents and business out of the District of Columbia and the failure of new residents and businesses to move to the District of Columbia.

(4) The fiscal and management problems in the District of Columbia government are pervasive across all segments of the government.

(5) A comprehensive approach to fiscal, management, and structural problems must be undertaken which exempts no part of the District government and which preserves home rule for the citizens of the District of Columbia.

(6) The current deficit of the District of Columbia must be resolved over a multi-year period, since it cannot be effectively addressed in a single year.

(7) The ability of the District government to obtain funds from capital markets in the future will be severely diminished without Congressional action to restore its financial stability.

(8) The failure to improve the financial situation of the District government will adversely affect the long-term economic health of the entire National Capital region.

(9) The efficient operation of the Federal Government may be adversely affected by the current problems of the District of Columbia not only through the services the District government provides directly to the Federal Government but through services provided indirectly such as street and traffic flow maintenance, public safety, and services affecting tourism.

(b) PURPOSE.—The purposes of this Act are as follows:

(1) To eliminate budget deficits and cash shortages of the District of Columbia through visionary financial planning, sound budgeting, accurate revenue forecasts, and careful spending.

(2) To ensure the most efficient and effective delivery of services, including public safety services, by the District government during a period of fiscal emergency.

(3) To conduct necessary investigations and studies to determine the fiscal status and operational efficiency of the District government.

(4) To assist the District government in—

(A) restructuring its organization and workforce to ensure that the residents of the District of Columbia are served by a local government that is efficient and effective;

(B) achieving an appropriate relationship with the Federal Government;

(C) ensuring the appropriate and efficient delivery of services; and

(D) modernizing its budget, accounting, personnel, procurement, information technology, and management systems to ensure the maximum financial and performance accountability of the District government and its officers and employees.

(5) To enhance the District government's access to the capital markets and to ensure the continued orderly payment of its debt service obligations.

(6) To ensure the long-term financial, fiscal, and economic vitality and operational efficiency of the District of Columbia.

(7) To examine the programmatic and structural relationship between the District government and the Federal Government.

(8) To provide for the review of the financial impact of activities of the District government before such activities are implemented or submitted for Congressional review.

(c) RULES OF CONSTRUCTION.—Nothing in this Act may be construed—

(1) to relieve any obligations existing as of the date of the enactment of this Act of the District government to repay any individual or entity from whom the District has borrowed funds, whether through the issuance of bonds or otherwise; or

(2) to limit the authority of Congress to exercise ultimate legislative authority over the District of Columbia pursuant to Article I, section 8, clause 17 of the Constitution of the United States.

TITLE I—ESTABLISHMENT AND AUTHORITY

SEC. 101. DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY.

(a) ESTABLISHMENT.—Pursuant to Article I, section 8, clause 17 of the Constitution of the United States, there is hereby established the District of Columbia Financial Responsibility and Management Assistance Authority, consisting of members appointed by the President in accordance with subsection (b). Subject to the conditions described in section 108 and except as otherwise provided in this Act, the Authority is established as an entity within the government of the District of Columbia, and is not established as a department, agency, establishment, or instrumentality of the United States Government.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Authority shall consist of 5 members appointed by the President who meet the qualifications described in subsection (c), except that the Authority may take any action under this Act (or any amendments made by this Act) at any time after the President has appointed 3 of its members.

(2) CONSULTATION WITH CONGRESS.—The President shall appoint the members of the Authority after consulting with the Chair of the Committee on Appropriations and the Chair of the Committee on Government Reform and Oversight of the House of Representatives, the Chair of the Committee on Appropriations and the Chair of the Committee on Governmental Affairs of the Senate, and the Delegate to the House of Representatives from the District of Columbia.

(3) CHAIR.—The President shall designate one of the members of the Authority as the Chair of the Authority.

(4) SENSE OF CONGRESS REGARDING DEADLINE FOR APPOINTMENT.—It is the sense of Congress that the President should appoint the members of the Authority as soon as practicable after the date of the enactment of this Act, but in no event later than 25 days after the date of the enactment of this Act.

(5) TERM OF SERVICE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each member of the Authority shall be appointed for a term of 3 years.

(B) APPOINTMENT FOR TERM FOLLOWING INITIAL TERM.—As designated by the President at the time of appointment for the term immediately following the initial term, of the members appointed for the term immediately following the initial term—

(i) 1 member shall be appointed for a term of 1 year;

(ii) 2 members shall be appointed for a term of 2 years; and

(iii) 2 members shall be appointed for a term of 3 years.

(C) REMOVAL.—The President may remove any member of the Authority only for cause.

(c) QUALIFICATIONS FOR MEMBERSHIP.—An individual meets the qualifications for membership on the Authority if the individual—

(1) has knowledge and expertise in finance, management, and the organization or operation of business or government;

(2) does not provide goods or services to the District government (and is not the spouse, parent, child, or sibling of an individual who provides goods and services to the District government);

(3) is not an officer or employee of the District government; and

(4) during the most recent taxable year prior to appointment, paid personal income or business taxes to the District government.

(d) NO COMPENSATION FOR SERVICE.—Members of the Authority shall serve without pay, but may receive reimbursement for any reasonable and necessary expenses incurred by reason of service on the Authority.

(e) ADOPTION OF BY-LAWS FOR CONDUCTING BUSINESS OF AUTHORITY.—

(1) IN GENERAL.—As soon as practicable after the appointment of its members, the Authority shall adopt by-laws, rules, and procedures governing its activities under this Act, including procedures for hiring experts and consultants. Such by-laws, rules, and procedures shall be public documents, and shall be submitted by the Authority upon adoption to the Mayor, the Council, the President, and Congress.

(2) CERTAIN ACTIVITIES REQUIRING APPROVAL OF MAJORITY OF MEMBERS.—Under the by-laws adopted pursuant to paragraph (1), the Authority may conduct its operations under such procedures as it considers appropriate, except that an affirmative vote of a majority of the members the Authority shall be required in order for the Authority to—

(A) approve or disapprove a financial plan and budget under subtitle A of title II;

(B) implement recommendations on financial stability and management responsibility under section 207;

(C) give consent to the appointment of the Chief Financial Officer of the District of Columbia under section 424 of the District of Columbia Self-Government and Governmental Reorganization Act (as added by section 302); and

(D) give consent to the appointment of the Inspector General of the District of Columbia under section 208(a) of the District of Columbia Procurement Practices Act of 1985 (as amended by section 303(a)).

(3) ADOPTION OF RULES AND REGULATIONS OF DISTRICT OF COLUMBIA.—The Authority may incorporate in its by-laws, rules, and procedures under this subsection such rules and regulations of the District government as it considers appropriate to enable it to carry out its activities under this Act with the greatest degree of independence practicable.

SEC. 102. EXECUTIVE DIRECTOR AND STAFF OF AUTHORITY.

(a) EXECUTIVE DIRECTOR.—The Authority shall have an Executive Director who shall be appointed by the Chair with the consent of the Authority. The Executive Director shall be paid at a rate determined by the Authority, except that such rate may not exceed the rate of basic pay payable for level IV of the Executive Schedule.

(b) STAFF.—With the approval of the Chair, the Executive Director may appoint and fix the pay of additional personnel as the Executive Director considers appropriate, except that no individual appointed by the Executive Director may be paid at a rate greater than the rate of pay for the Executive Director.

(c) INAPPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Executive Director and staff of the Authority may be appointed without

regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.

(d) **STAFF OF FEDERAL AGENCIES.**—Upon request of the Chair, the head of any Federal department or agency may detail, on a reimbursable or non-reimbursable basis, any of the personnel of that department or agency to the Authority to assist it in carrying out its duties under this Act.

(e) **PRESERVATION OF RETIREMENT AND CERTAIN OTHER RIGHTS OF FEDERAL EMPLOYEES WHO BECOME EMPLOYED BY THE AUTHORITY.**—

(1) **IN GENERAL.**—A Federal employee who, within 2 months after separating from the Federal Government, becomes employed by the Authority—

(A) may elect, for purposes of the retirement system in which that individual last participated before so separating, to have such individual's period of service with the Authority treated in the same way as if performed in the position within the Federal Government from which separated, subject to the requisite employee deductions and agency contributions being currently deposited in the appropriate fund; and

(B) if, after serving with the Authority, such employee becomes reemployed by the Federal Government, shall be entitled to credit, for the full period of such individual's service with the Authority, for purposes of determining the applicable leave accrual rate.

(2) **RETIREMENT.**—

(A) **CONTRIBUTIONS.**—For purposes of subparagraph (A) of paragraph (1)—

(i) the employee deductions referred to in such paragraph shall be made from basic pay for service with the Authority, and shall be computed using the same percentage as would then apply if the individual were instead serving in the position within the Federal Government from which separated; and

(ii) the agency contributions referred to in such paragraph shall be made by the Authority.

(B) **DOUBLE COVERAGE NOT PERMITTED.**—An individual who makes an election under paragraph (1)(A) shall be ineligible, while such election remains in effect, to participate in any retirement system for employees of the government of the District of Columbia.

(3) **REGULATIONS.**—The Office of Personnel Management shall prescribe such regulations as may be necessary to carry out this subsection. Regulations to carry out paragraph (1)(A) shall be prescribed in consultation with the office or agency of the government of the District of Columbia having jurisdiction over any retirement system referred to in paragraph (2)(B).

SEC. 103. POWERS OF AUTHORITY.

(a) **HEARINGS AND SESSIONS.**—The Authority may, for the purpose of carrying out this Act, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Authority considers appropriate. The Authority may administer oaths or affirmations to witnesses appearing before it.

(b) **POWERS OF MEMBERS AND AGENTS.**—Any member or agent of the Authority may, if authorized by the Authority, take any action which the Authority is authorized to take by this section.

(c) **OBTAINING OFFICIAL DATA.**—

(1) **FROM FEDERAL GOVERNMENT.**—Notwithstanding sections 552 (commonly known as the Freedom of Information Act) and 552b (the Government in the Sunshine Act) of title 5, United States Code, the Authority may secure directly from any department or agency of the United States information nec-

essary to enable it to carry out this Act, with the approval of the head of that department or agency.

(2) **FROM DISTRICT GOVERNMENT.**—Notwithstanding any other provision of law, the Authority shall have the right to secure copies of such records, documents, information, or data from any entity of the District government necessary to enable the Authority to carry out its responsibilities under this Act. At the request of the Authority, the Authority shall be granted direct access to such information systems, records, documents or information or data as will enable the Authority to carry out its responsibilities under this Act. The head of the entity of the District government responsible shall provide the Authority with such information and assistance (including granting the Authority direct access to automated or other information systems) as the Authority requires under this paragraph.

(d) **GIFTS, BEQUESTS, AND DEVISES.**—The Authority may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Authority. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in such account as the Authority may establish and shall be available for disbursement upon order of the Chair.

(e) **SUBPOENA POWER.**—

(1) **IN GENERAL.**—The Authority may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence relating to any matter under investigation by the Authority. The attendance of witnesses and the production of evidence may be required from any place within the United States at any designated place of hearing within the United States.

(2) **FAILURE TO OBEY A SUBPOENA.**—If a person refuses to obey a subpoena issued under paragraph (1), the Authority may apply to a United States district court for an order requiring that person to appear before the Authority to give testimony, produce evidence, or both, relating to the matter under investigation. The application may be made within the judicial district where the hearing is conducted or where that person is found, resides, or transacts business. Any failure to obey the order of the court may be punished by the court as civil contempt.

(3) **SERVICE OF SUBPOENAS.**—The subpoenas of the Authority shall be served in the manner provided for subpoenas issued by United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(4) **SERVICE OF PROCESS.**—All process of any court to which application is made under paragraph (2) may be served in the judicial district in which the person required to be served resides or may be found.

(f) **ADMINISTRATIVE SUPPORT SERVICES.**—Upon the request of the Authority, the Administrator of General Services may provide to the Authority, on a reimbursable basis, the administrative support services necessary for the Authority to carry out its responsibilities under this Act.

(g) **AUTHORITY TO ENTER INTO CONTRACTS.**—The Executive Director may enter into such contracts as the Executive Director considers appropriate (subject to the approval of the Chair) to carry out the Authority's responsibilities under this Act.

(h) **CIVIL ACTIONS TO ENFORCE POWERS.**—

The Authority may seek judicial enforcement of its authority to carry out its responsibilities under this Act.

(i) **PENALTIES.**—

(1) **ACTS PROHIBITED.**—Any officer or employee of the District government who—

(A) takes any action in violation of any valid order of the Authority or fails or refuses to take any action required by any such order; or

(B) prepares, presents, or certifies any information (including any projections or estimates) or report for the Board or any of its agents that is false or misleading, or, upon learning that any such information is false or misleading, fails to immediately advise the Board or its agents thereof in writing, shall be guilty of a misdemeanor.

(2) **ADMINISTRATIVE DISCIPLINE.**—In addition to any other applicable penalty, any officer or employee of the District government who knowingly and willfully violates paragraph (1) shall be subject to appropriate administrative discipline, including (when appropriate) suspension from duty without pay or removal from office by order of either the Mayor or Authority.

(3) **REPORT BY MAYOR ON DISCIPLINARY ACTIONS TAKEN.**—In the case of a violation of paragraph (1) by an officer or employee of the District government, the Mayor shall immediately report to the Board all pertinent facts together with a statement of the action taken thereon.

SEC. 104. EXEMPTION FROM LIABILITY FOR CLAIMS.

The Authority and its members may not be liable for any obligation of or claim against the District of Columbia resulting from actions taken to carry out this Act.

SEC. 105. TREATMENT OF ACTIONS ARISING FROM ACT.

(a) **JURISDICTION ESTABLISHED IN DISTRICT COURT FOR DISTRICT OF COLUMBIA.**—Except as provided in section 103(e)(2) (relating to the issuance of an order enforcing a subpoena), any action against the Authority or any action otherwise arising out of this Act, in whole or in part, shall be brought in the United States District Court for the District of Columbia.

(b) **PROMPT APPEAL.**—

(1) **COURT OF APPEALS.**—Notwithstanding any other provision of law, any order of the United States District Court for the District of Columbia which is issued pursuant to an action brought under subsection (a) shall be reviewable only pursuant to a notice of appeal to the United States Court of Appeals for the District of Columbia Circuit.

(2) **SUPREME COURT.**—Notwithstanding any other provision of law, review by the Supreme Court of the United States of a decision of the Court of Appeals which is issued pursuant to paragraph (1) may be had only if the petition for such review is filed within 10 days after the entry of such decision.

(c) **TIMING OF RELIEF.**—No order of any court granting declaratory or injunctive relief against the Authority, including relief permitting or requiring the obligation, borrowing, or expenditure of funds, shall take effect during the pendency of the action before such court, during the time appeal may be taken, or (if appeal is taken) during the period before the court has entered its final order disposing of such action.

(d) **EXPEDITED CONSIDERATION.**—It shall be the duty of the United States District Court for the District of Columbia, the United States Court of Appeals for the District of Columbia Circuit, and the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter brought under subsection (a).

SEC. 106. FUNDING FOR OPERATION OF AUTHORITY.

(a) **ANNUAL BUDGETING PROCESS.**—

(1) **SUBMISSION OF BUDGET.**—The Authority shall submit a proposed budget for each fiscal year to the President for inclusion in the annual budget for the District of Columbia

under part D of title IV of the District of Columbia Self-Government and Governmental Reorganization Act not later than the May 1 prior to the first day of the fiscal year. In the case of the budget for fiscal year 1996, the Authority shall submit its proposed budget not later than July 15, 1995.

(2) **CONTENTS OF BUDGET.**—The budget shall describe—

(A) expenditures of the Authority by each object class, including expenditures for staff of the Authority;

(B) services of personnel and other services provided by or on behalf of the Authority for which the Authority made no reimbursement; and

(C) any gifts or bequests made to the authority during the previous fiscal year.

(3) **APPROPRIATIONS REQUIRED.**—No amount may be obligated or expended by the Authority for a fiscal year (beginning with fiscal year 1996) unless such amount has been approved by Act of Congress, and then only according to such Act.

(4) **CONFORMING AMENDMENT.**—Section 453(c) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 47-304.1(c), D.C. Code) is amended by striking the period at the end and inserting the following: “, or to the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.”.

(b) **SPECIAL RULE FOR FUNDING OF OPERATIONS DURING FISCAL YEAR 1995.**—As soon as practicable after the appointment of its members, the Authority shall submit to the Mayor and the President—

(1) a request for reprogramming of funds under subsection (c)(1); and

(2) a description of anticipated expenditures of the Authority for fiscal year 1995 (which shall be transmitted to Congress).

(c) **SOURCES OF FUNDS.**—

(1) **USE OF PREVIOUSLY APPROPRIATED FUNDS IN DISTRICT BUDGET.**—The Mayor shall transfer funds previously appropriated to the District government for a fiscal year for auditing and consulting services to the Authority (in such amounts as are provided in the budget request of the Authority under subsection (a) or, with respect to fiscal year 1995, the request submitted under subsection (b)(1)) for the purpose of carrying out the Authority's activities during the fiscal year.

(2) **OTHER SOURCES OF FUNDS.**—For provisions describing the sources of funds available for the operations of the Authority during a fiscal year (in addition to any interest earned on accounts of the Authority during the year), see section 204(b)(1)(A) (relating to the set-aside of amounts requisitioned from the Treasury by the Mayor) and section 213(b)(3) (relating to the use of interest accrued from amounts in a debt service reserve fund of the Authority).

SEC. 107. SUSPENSION OF ACTIVITIES.

(a) **SUSPENSION UPON PAYMENT OF AUTHORITY OBLIGATIONS.**—

(1) **IN GENERAL.**—Upon the expiration of the 12-month period which begins on the date that the Authority certifies that all obligations arising from the issuance by the Authority of bonds, notes, or other obligations pursuant to subtitle B of title II have been discharged, and that all borrowings by or on behalf of the District of Columbia pursuant to title VI of the District of Columbia Revenue Act of 1939 (sec. 47-3401, D.C. Code) have been repaid, the Authority shall suspend any activities carried out under this Act and the terms of the members of the Authority shall expire.

(2) **NO SUSPENSION DURING CONTROL YEAR.**—The Authority may not suspend its activities

pursuant to paragraph (1) at any time during a control year.

(b) **REACTIVATION UPON INITIATION OF CONTROL PERIOD.**—Upon receiving notice from the Chairs of the Appropriations Committees of the House of Representatives and the Senate that a control period has been initiated (as described in section 209) at any time after the Authority suspends its activities under subsection (a), the President shall appoint members of the Authority, and the Authority shall carry out activities under this Act, in the same manner as the President appointed members and the Authority carried out activities prior to such suspension.

SEC. 108. APPLICATION OF LAWS OF DISTRICT OF COLUMBIA TO AUTHORITY.

(a) **IN GENERAL.**—The following laws of the District of Columbia (as in effect on the date of the enactment of this Act) shall apply to the members and activities of the Authority:

(1) Section 742 of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1-1504, D.C. Code).

(2) Sections 201 through 206 of the District of Columbia Freedom of Information Act (secs. 1-1521 through 1-1526, D.C. Code).

(3) Section 601 of the District of Columbia Campaign Finance Reform and Conflict of Interest Act (sec. 1-1461, D.C. Code).

(b) **NO CONTROL, SUPERVISION, OVERSIGHT, OR REVIEW BY MAYOR OR COUNCIL.**—

(1) **IN GENERAL.**—Neither the Mayor nor the Council may exercise any control, supervision, oversight, or review over the Authority or its activities.

(2) **PROHIBITION AGAINST LEGISLATION AFFECTING AUTHORITY.**—Section 602(a) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1-233(a), D.C. Code) is amended—

(A) by striking “or” at the end of paragraph (8);

(B) by striking the period at the end of paragraph (9) and inserting “; or”; and

(C) by adding at the end the following new paragraph:

“(10) enact any act, resolution, or rule with respect to the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.”.

(c) **AUTHORITY NOT SUBJECT TO REPRESENTATION BY CORPORATION COUNSEL.**—In any action brought by or on behalf of the Authority, and in any action brought against the Authority, the Authority shall be represented by such counsel as it may select, but in no instance may the Authority be represented by the Corporation Counsel of the District of Columbia.

TITLE II—RESPONSIBILITIES OF AUTHORITY

Subtitle A—Establishment and Enforcement of Financial Plan and Budget for District Government

SEC. 201. DEVELOPMENT OF FINANCIAL PLAN AND BUDGET FOR DISTRICT OF COLUMBIA.

(a) **DEVELOPMENT OF FINANCIAL PLAN AND BUDGET.**—For each fiscal year for which the District government is in a control period, the Mayor shall develop and submit to the Authority a financial plan and budget for the District of Columbia in accordance with this section.

(b) **CONTENTS OF FINANCIAL PLAN AND BUDGET.**—A financial plan and budget for the District of Columbia for a fiscal year shall specify the budgets for the District government under part D of title IV of the District of Columbia Self-Government and Governmental Reorganization Act for the applicable fiscal year and the next 3 fiscal years (including the projected revenues and expendi-

tures of each fund of the District government for such years), in accordance with the following requirements:

(1) The financial plan and budget shall meet the standards described in subsection (c) to promote the financial stability of the District government.

(2) The financial plan and budget shall provide for estimates of revenues and expenditures on a modified accrual basis.

(3) The financial plan and budget shall—

(A) describe lump sum expenditures by department by object class;

(B) describe capital expenditures (together with a schedule of projected capital commitments of the District government and proposed sources of funding);

(C) contain estimates of short-term and long-term debt (both outstanding and anticipated to be issued); and

(D) contain cash flow forecasts for each fund of the District government at such intervals as the Authority may require.

(4) The financial plan and budget shall include a statement describing methods of estimations and significant assumptions.

(5) The financial plan and budget shall include any other provisions and shall meet such other criteria as the Authority considers appropriate to meet the purposes of this Act, including provisions for changes in personnel policies and levels for each department or agency of the District government, changes in the structure and organization of the District government, and management initiatives to promote productivity, improvement in the delivery of services, or cost savings.

(c) **STANDARDS TO PROMOTE FINANCIAL STABILITY DESCRIBED.**—

(1) **IN GENERAL.**—The standards to promote the financial stability of the District government applicable to the financial plan and budget for a fiscal year are as follows:

(A) In the case of the financial plan and budget for fiscal year 1996, the expenditures of the District government for each fiscal year (beginning with fiscal year 1999) may not exceed the revenues of the District government for each such fiscal year.

(B) During fiscal years 1996, 1997, and 1998, the District government shall make continuous, substantial progress towards equalizing the expenditures and revenues of the District government for such fiscal years (in equal annual installments to the greatest extent possible).

(C) The District government shall provide for the orderly liquidation of the cumulative fund balance deficit of the District government, as evidenced by financial statements prepared in accordance with generally accepted accounting principles.

(D) If funds in accounts of the District government which are dedicated for specific purposes have been withdrawn from such accounts for other purposes, the District government shall fully restore the funds to such accounts.

(E) The financial plan and budget shall assure the continuing long-term financial stability of the District government, as indicated by factors including access to short-term and long-term capital markets, the efficient management of the District government's workforce, and the effective provision of services by the District government.

(2) **APPLICATION OF SOUND BUDGETARY PRACTICES.**—In meeting the standards described in paragraph (1) with respect to a financial plan and budget for a fiscal year, the District government shall apply sound budgetary practices, including reducing costs and other expenditures, improving productivity, increasing revenues, or combinations of such practices.

(3) ASSUMPTIONS BASED ON CURRENT LAW.—In meeting the standards described in paragraph (1) with respect to a financial plan and budget for a fiscal year, the District government shall base estimates of revenues and expenditures on Federal law as in effect at the time of the preparation of the financial plan and budget.

(d) REPEAL OF OFFSETS AGAINST FEDERAL PAYMENT AND OTHER DISTRICT REVENUES.—Section 138 of the District of Columbia Appropriations Act, 1995, is amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d).

SEC. 202. PROCESS FOR SUBMISSION AND APPROVAL OF FINANCIAL PLAN AND ANNUAL DISTRICT BUDGET.

(a) SUBMISSION OF PRELIMINARY FINANCIAL PLAN AND BUDGET BY MAYOR.—Not later than the February 1 preceding a fiscal year for which the District government is in a control period, the Mayor shall submit to the Authority and the Council a financial plan and budget for the fiscal year which meets the requirements of section 201.

(b) REVIEW BY AUTHORITY.—Upon receipt of the financial plan and budget for a fiscal year from the Mayor under subsection (a), the Authority shall promptly review the financial plan and budget. In conducting the review, the Authority may request any additional information it considers necessary and appropriate to carry out its duties under this subtitle.

(c) ACTION UPON APPROVAL OF MAYOR'S PRELIMINARY FINANCIAL PLAN AND BUDGET.—

(1) CERTIFICATION TO MAYOR.—

(A) IN GENERAL.—If the Authority determines that the financial plan and budget for the fiscal year submitted by the Mayor under subsection (a) meets the requirements applicable under section 201—

(i) the Authority shall approve the financial plan and budget and shall provide the Mayor, the Council, the President, and Congress with a notice certifying its approval; and

(ii) the Mayor shall promptly submit the financial plan and budget to the Council pursuant to section 442 of the District of Columbia Self-Government and Governmental Reorganization Act.

(B) DEEMED APPROVAL AFTER 30 DAYS.—

(i) IN GENERAL.—If the Authority has not provided the Mayor, the Council, and Congress with a notice certifying approval under subparagraph (A)(i) or a statement of disapproval under subsection (d)(1) upon the expiration of the 30-day period which begins on the date the Authority receives the financial plan and budget from the Mayor under subsection (a), the Authority shall be deemed to have approved the financial plan and budget and to have provided the Mayor, the Council, the President, and Congress with the notice certifying approval described in subparagraph (A)(i).

(ii) EXPLANATION OF FAILURE TO RESPOND.—If clause (i) applies with respect to a financial plan and budget, the Authority shall provide the Mayor, the Council, the President and Congress with an explanation for its failure to provide the notice certifying approval or the statement of disapproval during the 30-day period described in such clause.

(2) ADOPTION OF FINANCIAL PLAN AND BUDGET BY COUNCIL AFTER RECEIPT OF APPROVED FINANCIAL PLAN AND BUDGET.—Notwithstanding the first sentence of section 446 of the District of Columbia Self-Government and Governmental Reorganization Act, not later than 30 days after receiving the financial plan and budget for the fiscal year from the Mayor under paragraph (1)(A)(ii), the Council shall by Act adopt a financial plan and budget for the fiscal year which shall serve

as the adoption of the budgets of the District government for the fiscal year under such section, and shall submit such financial plan and budget to the Mayor and the Authority.

(3) REVIEW OF COUNCIL FINANCIAL PLAN AND BUDGET BY AUTHORITY.—Upon receipt of the financial plan and budget for a fiscal year from the Council under paragraph (2) (taking into account any items or provisions disapproved by the Mayor or disapproved by the Mayor and reenacted by the Council under section 404(f) of the District of Columbia Self-Government and Governmental Reorganization Act, as amended by subsection (f)(2)), the Authority shall promptly review the financial plan and budget. In conducting the review, the Authority may request any additional information it considers necessary and appropriate to carry out its duties under this subtitle.

(4) RESULTS OF AUTHORITY REVIEW OF COUNCIL'S INITIAL FINANCIAL PLAN AND BUDGET.—

(A) APPROVAL OF COUNCIL'S INITIAL FINANCIAL PLAN AND BUDGET.—If the Authority determines that the financial plan and budget for the fiscal year submitted by the Council under paragraph (2) meets the requirements applicable under section 201—

(i) the Authority shall approve the financial plan and budget and shall provide the Mayor, the Council, the President, and Congress with a notice certifying its approval; and

(ii) the Council shall promptly submit the financial plan and budget to the Mayor for transmission to the President and Congress under section 446 of the District of Columbia Self-Government and Governmental Reorganization Act.

(B) DISAPPROVAL OF COUNCIL'S INITIAL BUDGET.—If the Authority determines that the financial plan and budget for the fiscal year submitted by the Council under paragraph (2) does not meet the requirements applicable under section 201, the Authority shall disapprove the financial plan and budget, and shall provide the Mayor, the Council, the President, and Congress with a statement containing—

(i) the reasons for such disapproval;

(ii) the amount of any shortfall in the budget or financial plan; and

(iii) any recommendations for revisions to the budget the Authority considers appropriate to ensure that the budget is consistent with the financial plan and budget.

(C) DEEMED APPROVAL AFTER 15 DAYS.—

(i) IN GENERAL.—If the Authority has not provided the Mayor, the Council, the President, and Congress with a notice certifying approval under subparagraph (A)(i) or a statement of disapproval under subparagraph (B) upon the expiration of the 15-day period which begins on the date the Authority receives the financial plan and budget from the Council under paragraph (2), the Authority shall be deemed to have approved the financial plan and budget and to have provided the Mayor, the Council, the President, and Congress with the notice certifying approval described in subparagraph (A)(i).

(ii) EXPLANATION OF FAILURE TO RESPOND.—If clause (i) applies with respect to a financial plan and budget, the Authority shall provide the Mayor, the Council, the President and Congress with an explanation for its failure to provide the notice certifying approval or the statement of disapproval during the 15-day period described in such clause.

(5) AUTHORITY REVIEW OF COUNCIL'S REVISED FINANCIAL PLAN AND BUDGET.—

(A) SUBMISSION OF COUNCIL'S REVISED FINANCIAL PLAN AND BUDGET.—Not later than 15 days after receiving the statement from the Authority under paragraph (4)(B), the Council shall promptly by Act adopt a revised financial plan and budget for the fiscal year

which addresses the reasons for the Authority's disapproval cited in the statement, and shall submit such financial plan and budget to the Mayor and the Authority.

(B) APPROVAL OF COUNCIL'S REVISED FINANCIAL PLAN AND BUDGET.—If, after reviewing the revised financial plan and budget for a fiscal year submitted by the Council under subparagraph (A) in accordance with the procedures described in this subsection, the Authority determines that the revised financial plan and budget meets the requirements applicable under section 201—

(i) the Authority shall approve the financial plan and budget and shall provide the Mayor, the Council, the President, and Congress with a notice certifying its approval; and

(ii) the Council shall promptly submit the financial plan and budget to the Mayor for transmission to the President and Congress under section 446 of the District of Columbia Self-Government and Governmental Reorganization Act.

(C) DISAPPROVAL OF COUNCIL'S REVISED FINANCIAL PLAN AND BUDGET.—

(i) IN GENERAL.—If, after reviewing the revised financial plan and budget for a fiscal year submitted by the Council under subparagraph (A) in accordance with the procedures described in this subsection, the Authority determines that the revised financial plan and budget does not meet the applicable requirements under section 201, the Authority shall—

(I) disapprove the financial plan and budget;

(II) provide the Mayor, the Council, the President, and Congress with a statement containing the reasons for such disapproval and describing the amount of any shortfall in the financial plan and budget; and

(III) approve and recommend a financial plan and budget for the District government which meets the applicable requirements under section 201, and submit such financial plan and budget to the Mayor, the Council, the President, and Congress.

(ii) TRANSMISSION OF REJECTED FINANCIAL PLAN AND BUDGET.—The Council shall promptly submit the revised financial plan and budget disapproved by the Authority under this subparagraph to the Mayor for transmission to the President and Congress under section 446 of the District of Columbia Self-Government and Governmental Reorganization Act.

(D) DEEMED APPROVAL AFTER 15 DAYS.—

(i) IN GENERAL.—If the Authority has not provided the Mayor, the Council, the President, and Congress with a notice certifying approval under subparagraph (B)(i) or a statement of disapproval under subparagraph (C) upon the expiration of the 15-day period which begins on the date the Authority receives the revised financial plan and budget submitted by the Council under subparagraph (A), the Authority shall be deemed to have approved the revised financial plan and budget and to have provided the Mayor, the Council, the President, and Congress with the notice certifying approval described in subparagraph (B)(i).

(ii) EXPLANATION OF FAILURE TO RESPOND.—If clause (i) applies with respect to a financial plan and budget, the Authority shall provide the Mayor, the Council, the President and Congress with an explanation for its failure to provide the notice certifying approval or the statement of disapproval during the 15-day period described in such clause.

(6) DEADLINE FOR TRANSMISSION OF FINANCIAL PLAN AND BUDGET BY AUTHORITY.—Notwithstanding any other provision of this section, not later than the June 15 preceding each fiscal year which is a control year, the Authority shall—

(A) provide Congress with a notice certifying its approval of the Council's initial financial plan and budget for the fiscal year under paragraph (4)(A);

(B) provide Congress with a notice certifying its approval of the Council's revised financial plan and budget for the fiscal year under paragraph (5)(B); or

(C) submit to Congress an approved and recommended financial plan and budget of the Authority for the District government for the fiscal year under paragraph (5)(C).

(d) ACTION UPON DISAPPROVAL OF MAYOR'S PRELIMINARY FINANCIAL PLAN AND BUDGET.—

(1) STATEMENT OF DISAPPROVAL.—If the Authority determines that the financial plan and budget for the fiscal year submitted by the Mayor under subsection (a) does not meet the requirements applicable under section 201, the Authority shall disapprove the financial plan and budget, and shall provide the Mayor and the Council with a statement containing—

(A) the reasons for such disapproval;

(B) the amount of any shortfall in the financial plan and budget; and

(C) any recommendations for revisions to the financial plan and budget the Authority considers appropriate to ensure that the financial plan and budget meets the requirements applicable under section 201.

(2) AUTHORITY REVIEW OF MAYOR'S REVISED FINANCIAL PLAN AND BUDGET.—

(A) SUBMISSION OF MAYOR'S REVISED FINANCIAL PLAN AND BUDGET.—Not later than 15 days after receiving the statement from the Authority under paragraph (1), the Mayor shall promptly submit to the Authority and the Council a revised financial plan and budget for the fiscal year which addresses the reasons for the Authority's disapproval cited in the statement.

(B) APPROVAL OF MAYOR'S REVISED FINANCIAL PLAN AND BUDGET.—If the Authority determines that the revised financial plan and budget for the fiscal year submitted by the Mayor under subparagraph (A) meets the requirements applicable under section 201—

(i) the Authority shall approve the financial plan and budget and shall provide the Mayor, the Council, the President, and Congress with a notice certifying its approval; and

(ii) the Mayor shall promptly submit the financial plan and budget to the Council pursuant to section 442 of the District of Columbia Self-Government and Governmental Reorganization Act.

(C) DISAPPROVAL OF MAYOR'S REVISED FINANCIAL PLAN AND BUDGET.—

(i) IN GENERAL.—If the Authority determines that the revised financial plan and budget for the fiscal year submitted by the Mayor under subparagraph (A) does not meet the requirements applicable under section 201, the Authority shall—

(I) disapprove the financial plan and budget;

(II) shall provide the Mayor, the Council, the President, and Congress with a statement containing the reasons for such disapproval; and

(III) recommend a financial plan and budget for the District government which meets the requirements applicable under section 201 and submit such financial plan and budget to the Mayor and the Council.

(ii) SUBMISSION OF REJECTED FINANCIAL PLAN AND BUDGET.—The Mayor shall promptly submit the revised financial plan and budget disapproved by the Authority under this subparagraph to the Council pursuant to section 442 of the District of Columbia Self-Government and Governmental Reorganization Act.

(D) DEEMED APPROVAL AFTER 15 DAYS.—

(i) IN GENERAL.—If the Authority has not provided the Mayor, the Council, the Presi-

dent, and Congress with a notice certifying approval under subparagraph (B)(i) or a statement of disapproval under subparagraph (C) upon the expiration of the 15-day period which begins on the date the Authority receives the revised financial plan and budget submitted by the Mayor under subparagraph (A), the Authority shall be deemed to have approved the revised financial plan and budget and to have provided the Mayor, the Council, the President, and Congress with the notice certifying approval described in subparagraph (B)(i).

(ii) EXPLANATION OF FAILURE TO RESPOND.—

If clause (i) applies with respect to a financial plan and budget, the Authority shall provide the Mayor, the Council, the President and Congress with an explanation for its failure to provide the notice certifying approval or the statement of disapproval during the 15-day period described in such clause.

(3) ACTION BY COUNCIL.—

(A) ADOPTION OF FINANCIAL PLAN AND BUDGET.—Notwithstanding the first sentence of section 446 of the District of Columbia Self-Government and Governmental Reorganization Act, not later than 30 days after receiving the Mayor's approved revised financial plan and budget for the fiscal year under paragraph (2)(B) or (in the case of a financial plan and budget disapproved by the Authority) the financial plan and budget recommended by the Authority under paragraph (2)(C)(i)(III), the Council shall by Act adopt a financial plan and budget for the fiscal year which shall serve as the adoption of the budgets of the District government for the fiscal year under such section, and shall submit the financial plan and budget to the Mayor and the Authority.

(B) REVIEW BY AUTHORITY.—The financial plan and budget submitted by the Council under subparagraph (A) shall be subject to review by the Authority and revision by the Council in the same manner as the financial plan and budget submitted by the Council after an approved preliminary financial plan and budget of the Mayor under paragraphs (3), (4), (5), and (6) of subsection (c).

(e) REVISIONS TO FINANCIAL PLAN AND BUDGET.—

(1) PERMITTING MAYOR TO SUBMIT REVISIONS.—The Mayor may submit proposed revisions to the financial plan and budget for a control year to the Authority at any time during the year.

(2) PROCESS FOR REVIEW, APPROVAL, DISAPPROVAL, AND COUNCIL ACTION.—Except as provided in paragraph (3), the procedures described in subsections (b), (c), and (d) shall apply with respect to a proposed revision to a financial plan and budget in the same manner as such procedures apply with respect to the original financial plan and budget, except that subparagraph (B) of subsection (c)(1) (relating to deemed approval by the Authority of a preliminary financial plan and budget of the Mayor) shall be applied as if the reference to the term "30-day period" were a reference to "20-day period".

(3) EXCEPTION FOR REVISIONS NOT AFFECTING APPROPRIATIONS.—To the extent that a proposed revision to a financial plan and budget adopted by the Council pursuant to this subsection does not increase the amount of spending with respect to any account of the District government, the revision shall become effective upon the Authority's approval of such revision (subject to review by Congress under section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act).

(f) CONFORMING AMENDMENT TO BUDGET PROCESS REQUIREMENTS UNDER HOME RULE ACT.—

(1) SUBMISSION OF UNBALANCED BUDGETS.—Section 603 of the District of Columbia Self-

Government and Governmental Reorganization Act (sec. 47-313, D.C. Code) is amended—

(A) in subsection (c), by striking "The Council" the first place it appears and inserting "Except as provided in subsection (f), the Council";

(B) in subsection (d), by striking "The Mayor" and inserting "Except as provided in subsection (f), the Mayor"; and

(C) by adding at the end the following new subsection:

"(f) In the case of a fiscal year which is a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995)—

"(1) subsection (c) (other than the fourth sentence) and subsection (d) shall not apply; and

"(2) the Council may not approve, and the Mayor may not forward to the President, any budget which is not consistent with the financial plan and budget established for the fiscal year under subtitle A of title II of such Act."

(2) EXPEDITED PROCEDURES FOR DISAPPROVAL OF ITEMS AND PROVISIONS OF COUNCIL BUDGET BY MAYOR.—Section 404(f) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1-227(f), D.C. Code) is amended by adding at the end the following new sentence: "In the case of any budget act for a fiscal year which is a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), this subsection shall apply as if the reference in the second sentence to 'ten-day period' were a reference to 'five-day period' and the reference in the third sentence to 'thirty calendar days' were a reference to '5 calendar days'."

(g) PERMITTING MAYOR AND COUNCIL TO SPECIFY EXPENDITURES UNDER SCHOOL BOARD BUDGET DURING CONTROL YEAR.—

(1) MAYOR'S ESTIMATE INCLUDED IN ANNUAL FINANCIAL PLAN AND BUDGET.—Section 2(h) of the Act entitled "An Act to fix and regulate the salaries of teachers, school officers, and other employees of the board of education of the District of Columbia", approved June 20, 1906 (sec. 31-103, D.C. Code) is amended by striking the period at the end and inserting the following: ", except that in the case of a year which is a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), the Mayor shall transmit the same together with the Mayor's own request for the amount of money required for the public schools for the year."

(2) SPECIFICATION OF EXPENDITURES.—Section 452 of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 31-104, D.C. Code) is amended by adding at the end the following new sentence: "This section shall not apply with respect to the annual budget for any fiscal year which is a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995)."

(h) PERMITTING SEPARATION OF EMPLOYEES IN ACCORDANCE WITH FINANCIAL PLAN AND BUDGET.—The fourth sentence of section 422(3) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1-242(3), D.C. Code) is amended by striking "pursuant to procedures" and all that follows through "Act of 1991" and inserting the following: "in the implementation of a financial plan and budget for the District government approved under subtitle A of title II of the District of Columbia Financial Responsibility and Management Assistance Act of 1995".

SEC. 203. REVIEW OF ACTIVITIES OF DISTRICT GOVERNMENT TO ENSURE COMPLIANCE WITH APPROVED FINANCIAL PLAN AND BUDGET.

(a) REVIEW OF COUNCIL ACTS.—

(1) SUBMISSION OF ACTS TO AUTHORITY.—The Council shall submit to the Authority each Act passed by the Council and signed by the Mayor during a control year or vetoed by the Mayor and repassed by two-thirds of the Council present and voting during a control year, and each Act passed by the Council and allowed to become effective without the Mayor's signature during a control year, together with the estimate of costs accompanying such Act required under section 602(c)(3) of the District of Columbia Self-Government and Governmental Reorganization Act (as added by section 301(d)).

(2) PROMPT REVIEW BY AUTHORITY.—Upon receipt of an Act from the Council under paragraph (1), the Authority shall promptly review the Act to determine whether it is consistent with the applicable financial plan and budget approved under this subtitle and with the estimate of costs accompanying the Act (described in paragraph (1)).

(3) ACTIONS BY AUTHORITY.—

(A) APPROVAL.—Except as provided in subparagraph (C), if the Authority determines that an Act is consistent with the applicable financial plan and budget, the Authority shall notify the Council that it approves the Act, and the Council shall submit the Act to Congress for review in accordance with section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act.

(B) FINDING OF INCONSISTENCY.—Except as provided in subparagraph (C), if the Authority determines that an Act is significantly inconsistent with the applicable financial plan and budget, the Authority shall—

(i) notify the Council that of its finding;

(ii) provide the Council with an explanation of the reasons for its finding; and

(iii) to the extent the Authority considers appropriate, provide the Council with recommendations for modifications to the Act.

(C) EXCEPTION FOR EMERGENCY ACTS.—Subparagraphs (A) and (B) shall not apply with respect to any act which the Council determines according to section 412(a) of the District of Columbia Self-Government and Governmental Reorganization Act should take effect immediately because of emergency circumstances.

(4) EFFECT OF FINDING.—If the Authority makes a finding with respect to an Act under paragraph (3)(B), the Council may not submit the Act to Congress for review in accordance with section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act.

(5) DEEMED APPROVAL.—If the Authority does not notify the Council that it approves or disapproves an Act submitted under this subsection during the 7-day period which begins on the date the Council submits the Act to the Authority, the Authority shall be deemed to have approved the Act in accordance with paragraph (3)(A). At the option of the Authority, the previous sentence shall be applied as if the reference to "7-day period" were a reference to "14-day period" if during such 7-day period the Authority so notifies the Council and the Mayor.

(6) PRELIMINARY REVIEW OF PROPOSED ACTS.—At the request of the Council, the Authority may conduct a preliminary review of proposed legislation before the Council to determine whether the legislation as proposed would be consistent with the applicable financial plan and budget approved under this subtitle, except that any such preliminary review shall not be binding on the Authority in reviewing any Act subsequently submitted under this subsection.

(b) EFFECT OF APPROVED FINANCIAL PLAN AND BUDGET ON CONTRACTS AND LEASES.—

(1) MANDATORY PRIOR APPROVAL FOR CERTAIN CONTRACTS AND LEASES.—

(A) IN GENERAL.—In the case of a contract or lease described in subparagraph (B) which is proposed to be entered into by the District government during a control year, the Mayor (or the appropriate officer or agent of the District government) shall submit the proposed contract or lease to the Authority. The Authority shall review each contract or lease submitted under this subparagraph, and the Mayor (or the appropriate officer or agent of the District government) may not enter into the contract or lease unless the Authority determines that the proposed contract or lease is consistent with the financial plan and budget for the fiscal year.

(B) CONTRACTS AND LEASES DESCRIBED.—A contract or lease described in this subparagraph is—

(i) a labor contract entered into through collective bargaining; or

(ii) such other type of contract or lease as the Authority may specify for purposes of this subparagraph.

(2) AUTHORITY TO REVIEW OTHER CONTRACTS AND LEASES AFTER EXECUTION.—

(A) IN GENERAL.—In addition to the prior approval of certain contracts and leases under paragraph (1), the Authority may require the Mayor (or the appropriate officer or agent of the District government) to submit to the Authority any other contract (including a contract to carry out a grant) or lease entered into by the District government during a control year which is executed after the Authority has approved the financial plan and budget for the year under section 202(c) or 202(d), or any proposal of the District government to renew, extend, or modify a contract or lease during a control year which is made after the Authority has approved such financial plan and budget.

(B) REVIEW BY AUTHORITY.—The Authority shall review each contract or lease submitted under subparagraph (A) to determine if the contract or lease is consistent with the financial plan and budget for the fiscal year. If the Authority determines that the contract or lease is not consistent with the financial plan and budget, the Mayor shall take such actions as are within the Mayor's powers to revise the contract or lease, or shall submit a proposed revision to the financial plan and budget in accordance with section 202(e), so that the contract or lease will be consistent with the financial plan and budget.

(3) SPECIAL RULE FOR FISCAL YEAR 1995.—The Authority may require the Mayor to submit to the Authority any proposal to renew, extend, or modify a contract or lease in effect during fiscal year 1995 to determine if the renewal, extension, or modification is consistent with the budget for the District of Columbia under the District of Columbia Appropriations Act, 1995.

(4) SPECIAL RULE FOR CONTRACTS SUBJECT TO COUNCIL APPROVAL.—In the case of a contract or lease which is required to be submitted to the Authority under this subsection and which is subject to approval by the Council under the laws of the District of Columbia, the Mayor shall submit such contract or lease to the Authority only after the Council has approved the contract or lease.

(c) RESTRICTIONS ON REPROGRAMMING OF AMOUNTS IN BUDGET DURING CONTROL YEARS.—

(1) SUBMISSIONS OF REQUESTS TO AUTHORITY.—If the Mayor submits a request to the Council for the reprogramming of any amounts provided in a budget for a fiscal year which is a control year after the budget is adopted by the Council, the Mayor shall submit such request to the Authority, which

shall analyze the affect of the proposed reprogramming on the financial plan and budget for the fiscal year and submit its analysis to the Council not later than 15 days after receiving the request.

(2) NO ACTION PERMITTED UNTIL ANALYSIS RECEIVED.—The Council may not adopt a reprogramming during a fiscal year which is a control year, and no officer or employee of the District government may carry out any reprogramming during such a year, until the Authority has provided the Council with an analysis of a request for the reprogramming in accordance with paragraph (1).

SEC. 204. RESTRICTIONS ON BORROWING BY DISTRICT DURING CONTROL YEAR.

(a) PRIOR APPROVAL REQUIRED.—

(1) IN GENERAL.—The District government may not borrow money during a control year unless the Authority provides prior certification that both the receipt of funds through such borrowing and the repayment of obligations incurred through such borrowing are consistent with the financial plan and budget for the year.

(2) REVISIONS TO FINANCIAL PLAN AND BUDGET PERMITTED.—If the Authority determines that the borrowing proposed to be undertaken by the District government is not consistent with the financial plan and budget, the Mayor may submit to the Authority a proposed revision to the financial plan and budget in accordance with section 202(e) so that the borrowing will be consistent with the financial plan and budget as so revised.

(3) BORROWING DESCRIBED.—This subsection shall apply with respect to any borrowing undertaken by the District government, including borrowing through the issuance of bonds under part E of title IV of the District of Columbia Self-Government and Governmental Reorganization Act, the exercise of authority to obtain funds from the United States Treasury under title VI of the District of Columbia Revenue Act of 1939 (sec. 47-3401, D.C. Code), or any other means.

(4) SPECIAL RULES FOR TREASURY BORROWING DURING FISCAL YEAR 1995.—

(A) NO PRIOR APPROVAL REQUIRED DURING INITIAL PERIOD FOLLOWING APPOINTMENT.—The District government may requisition advances from the United States Treasury under title VI of the District of Columbia Revenue Act of 1939 (sec. 47-3401, D.C. Code) without the prior approval of the Authority during the 45-day period which begins on the date of the appointment of the members of the Authority (subject to the restrictions described in such title, as amended by subsection (C)).

(B) CRITERIA FOR APPROVAL DURING REMAINDER OF FISCAL YEAR.—The District government may requisition advances described in subparagraph (A) during the portion of fiscal year 1995 occurring after the expiration of the 45-day period described in such subparagraph if the Authority finds that—

(i) such borrowing is appropriate to meet the needs of the District government to reduce deficits and discharge payment obligations; and

(ii) the District government is making appropriate progress toward meeting its responsibilities under this Act (and the amendments made by this Act).

(b) DEPOSIT OF FUNDS OBTAINED THROUGH TREASURY WITH AUTHORITY.—

(1) AUTOMATIC DEPOSIT DURING CONTROL YEAR.—If the Mayor requisitions funds from the Secretary of the Treasury pursuant to title VI of the District of Columbia Revenue Act of 1939 (sec. 47-3401, D.C. Code) during a control year (beginning with fiscal year 1996), such funds shall be deposited by the Secretary into an escrow account held by the Authority, to be used as follows:

(A) The Authority shall expend a portion of the funds for its operations during the fiscal year in which the funds are requisitioned, in such amount and under such conditions as are established under the budget of the Authority for the fiscal year under section 106(a).

(B) The Authority shall allocate the remainder of such funds to the Mayor at such intervals and in accordance with such terms and conditions as it considers appropriate, consistent with the financial plan and budget for the year and with any other withholding of funds by the Authority pursuant to this Act.

(2) **OPTIONAL DEPOSIT DURING FISCAL YEAR 1995.**—

(A) **DURING INITIAL PERIOD FOLLOWING APPOINTMENT.**—If the Mayor requisitions funds described in paragraph (1) during the 45-day period which begins on the date of the appointment of the members of the Authority, the Secretary of the Treasury shall notify the Authority, and at the request of the Authority shall deposit such funds into an escrow account held by the Authority in accordance with paragraph (1).

(B) **DURING REMAINDER OF FISCAL YEAR.**—If the Mayor requisitions funds described in paragraph (1) during the portion of fiscal year 1995 occurring after the expiration of the 45-day period described in subparagraph (A), the Secretary of the Treasury shall deposit such funds into an escrow account held by the Authority in accordance with paragraph (1) at the request of the Authority.

(C) **CONDITIONS ON REQUISITIONS FROM TREASURY.**—Title VI of the District of Columbia Revenue Act of 1939 (sec. 47-3401, D.C. Code) is amended by striking all after the heading and inserting the following:

"SEC. 601. TRANSITIONAL PROVISION FOR SHORT-TERM ADVANCES.

"(a) **TRANSITIONAL SHORT-TERM ADVANCES MADE BEFORE OCTOBER 1, 1995.**—

"(1) **IN GENERAL.**—If the conditions in paragraph (2) are satisfied, the Secretary shall make an advance of funds from time to time, out of any money in the Treasury not otherwise appropriated, for the purpose of assisting the District government in meeting its general expenditures, as authorized by Congress.

"(2) **CONDITIONS TO MAKING ANY TRANSITIONAL SHORT-TERM ADVANCE BEFORE OCTOBER 1, 1995.**—The Secretary shall make an advance under this subsection if the following conditions are satisfied:

"(A) the Mayor delivers to the Secretary a requisition for an advance under this section;

"(B) as of the date on which the requisitioned advance is to be made, the Authority has not approved a financial plan and budget for the District government as meeting the requirements of the District of Columbia Financial Responsibility and Management Assistance Act of 1995;

"(C) the date on which the requisitioned advance is to be made is not later than September 30, 1995;

"(D) the District government has delivered to the Secretary—

"(i) a schedule setting forth the anticipated timing and amounts of requisitions for advances under this subsection; and

"(ii) evidence demonstrating to the satisfaction of the Secretary that the District government is effectively unable to obtain credit in the public credit markets or elsewhere in sufficient amounts and on sufficiently reasonable terms to meet the District government's financing needs;

"(E) the Secretary determines that there is reasonable assurance of reimbursement for the advance from the amount authorized to be appropriated as the annual Federal payment to the District of Columbia under title

V of the District of Columbia Self-Government and Governmental Reorganization Act for the fiscal year ending September 30, 1996; and

"(F) except during the 45-day period beginning on the date of the appointment of the members of the Authority, the Authority makes the findings described in section 204(a)(4)(B) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

"(3) **AMOUNT OF ANY TRANSITIONAL SHORT-TERM ADVANCE MADE BEFORE OCTOBER 1, 1995.**—

"(A) **IN GENERAL.**—Except as provided in subparagraph (C), if the conditions described in subparagraph (B) are satisfied, each advance made under this subsection shall be in the amount designated by the Mayor in the Mayor's requisition for such advance, except that—

"(i) the total amount requisitioned under this subsection during the 30-day period which begins on the date of the first requisition made under this subsection may not exceed 33⅓ percent of the fiscal year 1995 limit;

"(ii) the total amount requisitioned under this subsection during the 60-day period which begins on the date of the first requisition made under this subsection may not exceed 66⅔ percent of the fiscal year 1995 limit; and

"(iii) the total amount requisitioned under this subsection after the expiration of the 60-day period which begins on the date of the first requisition made under this subsection may not exceed 100 percent of the fiscal year 1995 limit.

"(B) **CONDITIONS APPLICABLE TO DESIGNATED AMOUNT.**—Subparagraph (A) applies if the Mayor determines that the amount designated in the Mayor's requisition for such advance is needed to accomplish the purpose described in paragraph (1), and (except during the 45-day period beginning on the date of the appointment of the members of the Authority) the Authority approves such amount.

"(C) **AGGREGATE MAXIMUM AMOUNT OUTSTANDING.**—The sum of the anticipated principal and interest requirements of all advances made under this subsection may not be greater than the fiscal year 1995 limit.

"(D) **FISCAL YEAR 1995 LIMIT DESCRIBED.**—In this paragraph, the 'fiscal year 1995 limit' means the amount authorized to be appropriated to the District of Columbia as the annual Federal payment to the District of Columbia under title V of the District of Columbia Self-Government and Governmental Reorganization Act for the fiscal year ending September 30, 1995.

"(4) **MATURITY OF ANY TRANSITIONAL SHORT-TERM ADVANCE MADE BEFORE OCTOBER 1, 1995.**—

"(A) **IN GENERAL.**—Except as provided in subparagraph (B), each advance made under this subsection shall mature on the date designated by the Mayor in the Mayor's requisition for such advance.

"(B) **LATEST PERMISSIBLE MATURITY DATE.**—Notwithstanding subparagraph (A), the maturity date for any advance made under this subsection shall not be later than October 1, 1995.

"(5) **INTEREST RATE.**—Each advance made under this subsection shall bear interest at an annual rate equal to the rate determined by the Secretary at the time that the Secretary makes such advance taking into consideration the prevailing yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturity of such advance, plus ⅛ of 1 percent.

"(6) **DEPOSIT OF ADVANCES.**—

"(A) **IN GENERAL.**—Except as provided in subparagraph (B), each advance made under this subsection for the account of the Dis-

trict government shall be deposited by the Secretary into such account as is designated by the Mayor in the Mayor's requisition for such advance.

"(B) **EXCEPTION.**—Notwithstanding subparagraph (A), if (in accordance with section 204(b)(2) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995) the Authority delivers a letter requesting the Secretary to deposit all advances made under this subsection for the account of the District government in an escrow account held by the Authority, each advance made under this subsection for the account of the District government after the date of such letter shall be deposited by the Secretary into the escrow account specified by the Authority in such letter.

"(b) **TRANSITIONAL SHORT-TERM ADVANCES MADE ON OR AFTER OCTOBER 1, 1995 AND BEFORE FEBRUARY 1, 1996.**—

"(1) **IN GENERAL.**—If the conditions in paragraph (2) are satisfied, the Secretary shall make an advance of funds from time to time, out of any money in the Treasury not otherwise appropriated, for the same purpose as advances are made under subsection (a).

"(2) **TERMS AND CONDITIONS.**—

"(A) **IN GENERAL.**—Except as provided in subparagraph (B), paragraphs (2), (4), and (5) of subsection (a) (other than subparagraph (F) of paragraph (2)) shall apply to any advance made under this subsection.

"(B) **EXCEPTIONS.**—

"(i) **NEW CONDITIONS PRECEDENT TO MAKING ADVANCES.**—The conditions described in subsection (a)(2) shall apply with respect to making advances on or after October 1, 1995, in the same manner as such conditions apply with respect to making advances before October 1, 1995, except that—

"(I) subparagraph (C) (relating to the last day on which advances may be made) shall be applied as if the reference to 'September 30, 1995' were a reference to 'January 31, 1996';

"(II) subparagraph (E) (relating to the Secretary's determination of reasonable assurance of reimbursement from the annual Federal payment appropriated to the District of Columbia) shall be applied as if the reference to 'September 30, 1996' were a reference to 'September 30, 1997';

"(III) the Secretary may not make an advance under this subsection unless all advances made under subsection (a) are fully reimbursed by withholding from the annual Federal payment appropriated to the District of Columbia for the fiscal year ending September 30, 1996, under title V of the District of Columbia Self-Government and Governmental Reorganization Act, and applying toward reimbursement for such advances an amount equal to the amount needed to fully reimburse the Treasury for such advances; and

"(IV) the Secretary may not make an advance under this subsection unless the Authority has provided the Secretary with the prior certification described in section 204(a)(1) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

"(ii) **NEW LATEST PERMISSIBLE MATURITY DATE.**—The provisions of subsection (a)(4) shall apply with respect to the maturity of advances made after October 1, 1995, in the same manner as such provisions apply with respect to the maturity of advances made before October 1, 1995, except that subparagraph (B) of such subsection (relating to the latest permissible maturity date) shall apply as if the reference to 'October 1, 1995' were a reference to 'October 1, 1996'.

"(C) **NEW MAXIMUM AMOUNT OUTSTANDING.**—

"(i) **IN GENERAL.**—Except as provided in clause (iii), if the conditions described in

clause (ii) are satisfied, each advance made under this subsection shall be in the amount designated by the Mayor in the Mayor's requisition for such advance.

"(ii) CONDITIONS APPLICABLE TO DESIGNATED AMOUNT.—Clause (i) applies if the Mayor determines that the amount designated in the Mayor's requisition for such advance is needed to accomplish the purpose described in paragraph (1), and the Authority approves such amount.

"(iii) AGGREGATE MAXIMUM AMOUNT OUTSTANDING.—The sum of the anticipated principal and interest requirements of all advances made under this paragraph may not be greater than 60 percent of the fiscal year 1996 limit.

"(D) DEPOSIT OF ADVANCES.—As provided in section 204(b) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, each advance made under this subsection for the account of the District shall be deposited by the Secretary into an escrow account held by the Authority.

"(E) FISCAL YEAR 1996 LIMIT DESCRIBED.—In this paragraph, the 'fiscal year 1996 limit' means the amount authorized to be appropriated to the District of Columbia as the annual Federal payment to the District of Columbia under title V of the District of Columbia Self-Government and Governmental Reorganization Act for the fiscal year ending September 30, 1996.

"(c) TRANSITIONAL SHORT-TERM ADVANCES MADE ON OR AFTER FEBRUARY 1, 1996 AND BEFORE OCTOBER 1, 1996.—

"(1) IN GENERAL.—If the conditions in paragraph (2) are satisfied, the Secretary shall make an advance of funds from time to time, out of any money in the Treasury not otherwise appropriated, for the same purpose as advances are made under subsection (a).

"(2) TERMS AND CONDITIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), subsection (b)(2) shall apply to any advance made under this subsection.

"(B) EXCEPTIONS.—The conditions applicable under subsection (b)(2) (other than paragraph (2)(B) of subsection (a)) shall apply with respect to making advances on or after February 1, 1996, and before October 1, 1996, in the same manner as such conditions apply to making advances under such subsection, except that—

"(i) in applying subparagraph (C) of subsection (a)(2) (as described in subsection (b)(2)(B)(i)(I)), the reference to 'October 1, 1995' shall be deemed to be a reference to 'September 30, 1996';

"(ii) subparagraph (C)(iii) of subsection (b)(2) shall apply as if the reference to '60 percent' were a reference to '40 percent'; and

"(iii) no advance may be made unless the Secretary has been provided the certifications and information described in paragraphs (3) through (6) of section 602(b).

"(d) TRANSITIONAL SHORT-TERM ADVANCES MADE ON OR AFTER OCTOBER 1, 1996 AND BEFORE OCTOBER 1, 1997.—

"(1) IN GENERAL.—If the conditions in paragraph (2) are satisfied, the Secretary shall make an advance of funds from time to time, out of any money in the Treasury not otherwise appropriated, for the same purpose as advances are made under subsection (a).

"(2) TERMS AND CONDITIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), paragraphs (2), (4), and (5) of subsection (a) (other than subparagraphs (B) and (F) of paragraph (2)) shall apply to any advance made under this subsection.

"(B) EXCEPTIONS.—

"(i) NEW CONDITIONS PRECEDENT TO MAKING ADVANCES.—The conditions described in subsection (a)(2) shall apply with respect to making advances on or after October 1, 1996,

and before October 1, 1997, in the same manner as such conditions apply with respect to making advances before October 1, 1995, except that—

"(I) subparagraph (C) (relating to the last day on which advances may be made) shall be applied as if the reference to 'September 30, 1995' were a reference to 'September 30, 1997';

"(II) subparagraph (E) (relating to the Secretary's determination of reasonable assurance of reimbursement from the annual Federal payment appropriated to the District of Columbia) shall be applied as if the reference to 'September 30, 1996' were a reference to 'September 30, 1997';

"(III) the Secretary may not make an advance under this subsection unless all advances made under subsections (b) and (c) are fully reimbursed by withholding from the annual Federal payment appropriated to the District of Columbia for the fiscal year ending September 30, 1997, under title V of the District of Columbia Self-Government and Governmental Reorganization Act, and applying toward reimbursement for such advances an amount equal to the amount needed to fully reimburse the Treasury for such advances; and

"(IV) the Secretary may not make an advance under this subsection unless the Secretary has been provided the certifications and information described in paragraphs (3) through (6) of section 602(b).

"(ii) NEW LATEST PERMISSIBLE MATURITY DATE.—The provisions of subsection (a)(4) shall apply with respect to the maturity of advances made under this subsection, in the same manner as such provisions apply with respect to the maturity of advances made before October 1, 1995, except that subparagraph (B) of such subsection (relating to the latest permissible maturity date) shall apply as if the reference to 'September 30, 1995' were a reference to 'September 30, 1997'.

"(C) NEW MAXIMUM AMOUNT OUTSTANDING.—

"(i) IN GENERAL.—Except as provided in clause (iii), if the conditions described in clause (ii) are satisfied, each advance made under this subsection shall be in the amount designated by the Mayor in the Mayor's requisition for such advance.

"(ii) CONDITIONS APPLICABLE TO DESIGNATED AMOUNT.—Clause (i) applies if the Mayor determines that the amount designated in the Mayor's requisition for such advance is needed to accomplish the purpose described in paragraph (1), and the Authority approves such amount.

"(iii) AGGREGATE MAXIMUM AMOUNT OUTSTANDING.—The sum of the anticipated principal and interest requirements of all advances made under this paragraph may not be greater than 100 percent of the fiscal year 1997 limit.

"(iv) FISCAL YEAR 1997 LIMIT DESCRIBED.—In this subparagraph, the 'fiscal year 1997 limit' means the amount authorized to be appropriated to the District of Columbia as the annual Federal payment to the District of Columbia under title V of the District of Columbia Self-Government and Governmental Reorganization Act for the fiscal year ending September 30, 1997.

"(D) DEPOSIT OF ADVANCES.—As provided in section 204(b) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, each advance made under this subsection for the account of the District shall be deposited by the Secretary into an escrow account held by the Authority.

"SEC. 602. SHORT-TERM ADVANCES FOR SEASONAL CASH-FLOW MANAGEMENT.

"(a) IN GENERAL.—If the conditions in subsection (b) are satisfied, the Secretary shall make an advance of funds from time to time, out of any money in the Treasury not other-

wise appropriated, for the purpose of assisting the District government in meeting its general expenditures, as authorized by Congress, at times of seasonal cash-flow deficiencies.

"(b) CONDITIONS TO MAKING ANY SHORT-TERM ADVANCE.—The Secretary shall make an advance under this section if—

"(1) the Mayor delivers to the Secretary a requisition for an advance under this section;

"(2) the date on which the requisitioned advance is to be made is in a control period;

"(3) the Authority certifies to the Secretary that—

"(A) the District government has prepared and submitted a financial plan and budget for the District government;

"(B) there is an approved financial plan and budget in effect under the District of Columbia Financial Responsibility and Management Assistance Act of 1995 for the fiscal year for which the requisition is to be made;

"(C) at the time of the Mayor's requisition for an advance, the District government is in compliance with the financial plan and budget;

"(D) both the receipt of funds from such advance and the reimbursement of Treasury for such advance are consistent with the financial plan and budget for the year; and

"(E) such advance will not adversely affect the financial stability of the District government;

"(4) the Authority certifies to the Secretary, at the time of the Mayor's requisition for an advance, that the District government is effectively unable to obtain credit in the public credit markets or elsewhere in sufficient amounts and on sufficiently reasonable terms to meet the District government's financing needs;

"(5) the Inspector General of the District of Columbia certifies to the Secretary the information described in paragraph (3) by providing the Secretary with a certification conducted by an outside auditor under a contract entered into pursuant to section 208(a)(4) of the District of Columbia Procurement Practices Act of 1985;

"(6) the Secretary receives such additional certifications and opinions relating to the financial position of the District government as the Secretary determines to be appropriate from such other Federal agencies and instrumentalities as the Secretary determines to be appropriate; and

"(7) the Secretary determines that there is reasonable assurance of reimbursement for the advance from the amount authorized to be appropriated as the annual Federal payment to the District of Columbia under title V of the District of Columbia Self-Government and Governmental Reorganization Act for the fiscal year following the fiscal year in which such advance is made.

"(c) AMOUNT OF ANY SHORT-TERM ADVANCE.—

"(1) IN GENERAL.—Except as provided in paragraph (3), if the conditions in paragraph (2) are satisfied, each advance made under this section shall be in the amount designated by the Mayor in the Mayor's requisition for such advance.

"(2) CONDITIONS APPLICABLE TO DESIGNATED AMOUNT.—Paragraph (1) applies if—

"(A) the Mayor determines that the amount designated in the Mayor's requisition for such advance is needed to accomplish the purpose described in subsection (a); and

"(B) the Authority—

"(i) concurs in the Mayor's determination under subparagraph (A); and

"(ii) determines that the reimbursement obligation of the District government for an advance made under this section in the

amount designated in the Mayor's requisition is consistent with the financial plan for the year.

"(3) MAXIMUM AMOUNT OUTSTANDING.—

"(A) IN GENERAL.—Notwithstanding paragraph (1), the unpaid principal balance of all advances made under this section in any fiscal year of the District government shall not at any time be greater than 100 percent of applicable limit.

"(B) SPECIAL RULE FOR FISCAL YEAR 1997.—The unpaid principal balance of all advances made under this section in fiscal year 1997 of the District government shall not at any time be greater than the difference between—

"(i) 150 percent of the applicable limit for such fiscal year; and

"(ii) the unpaid principal balance of any advances made under section 601(d).

"(C) APPLICABLE LIMIT DEFINED.—In this paragraph, the 'applicable limit' for a fiscal year is the amount authorized under title V of the District of Columbia Self-Government and Governmental Reorganization Act for appropriation as the Federal payment to the District of Columbia for the fiscal year following the fiscal year in which the advance is made.

"(d) MATURITY OF ANY SHORT-TERM ADVANCE.—

"(1) IN GENERAL.—Except as provided in paragraph (3), if the condition in paragraph (2) is satisfied, each advance made under this section shall mature on the date designated by the Mayor in the Mayor's requisition for such advance.

"(2) CONDITION APPLICABLE TO DESIGNATED MATURITY.—Paragraph (1) applies if the Authority determines that the reimbursement obligation of the District government for an advance made under this section having the maturity date designated in the Mayor's requisition is consistent with the financial plan for the year.

"(3) LATEST PERMISSIBLE MATURITY DATE.—Notwithstanding paragraph (1), the maturity date for any advance made under this section shall not be later than 11 months after the date on which such advance is made.

"(e) INTEREST RATE.—Each advance made under this section shall bear interest at an annual rate equal to a rate determined by the Secretary at the time that the Secretary makes such advance taking into consideration the prevailing yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturity of such advance, plus $\frac{1}{8}$ of 1 percent.

"(f) 10 BUSINESS-DAY ZERO BALANCE REQUIREMENT.—After the expiration of the 12-month period beginning on the date on which the first advance is made under this section, the Secretary shall not make any new advance under this section unless the District government has—

"(1) reduced to zero at the same time the principal balance of all advances made under this section at least once during the previous 12-month period; and

"(2) not requisitioned any advance to be made under this section in any of the 10 business days following such reduction.

"(g) DEPOSIT OF ADVANCES.—As provided in section 204(b) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, advances made under this section for the account of the District government shall be deposited by the Secretary into an escrow account held by the Authority.

"SEC. 603. SECURITY FOR ADVANCES.

"(a) IN GENERAL.—The Secretary shall require the District government to provide such security for any advance made under this title as the Secretary determines to be appropriate.

"(b) AUTHORITY TO REQUIRE SPECIFIC SECURITY.—As security for any advance made under this title, the Secretary may require the District government to—

"(1) pledge to the Secretary specific taxes and revenue of the District government, if such pledging does not cause the District government to violate existing laws or contracts; and

"(2) establish a debt service reserve fund pledged to the Secretary.

"SEC. 604. REIMBURSEMENT TO THE TREASURY.

"(a) REIMBURSEMENT AMOUNT.—

"(1) IN GENERAL.—Except as provided in paragraph (2), on any date on which a reimbursement payment is due to the Treasury under the terms of any advance made under this title, the District shall pay to the Treasury the amount of such reimbursement payment out of taxes and revenue collected for the support of the District government.

"(2) EXCEPTIONS FOR TRANSITIONAL ADVANCES.—

"(A) ADVANCES MADE BEFORE OCTOBER 1, 1995.—

"(i) FINANCIAL PLAN AND BUDGET APPROVED.—If the Authority approves a financial plan for the District government before October 1, 1995, the District government may use the proceeds of any advance made under section 602 to discharge its obligation to reimburse the Treasury for any advance made under section 601(a).

"(ii) FINANCIAL PLAN AND BUDGET NOT APPROVED.—If the Authority has not approved a financial plan and budget for the District government by October 1, 1995, the annual Federal payment appropriated to the District government for the fiscal year ending September 30, 1996, shall be withheld and applied to discharge the District government's obligation to reimburse the Treasury for any advance made under section 601(a).

"(B) ADVANCES MADE ON OR AFTER OCTOBER 1, 1995.—

"(i) FINANCIAL PLAN AND BUDGET APPROVED.—If the Authority approves a financial plan and budget for the District government during fiscal year 1996, the District may use the proceeds of any advance made under section 602 to discharge its obligation to reimburse the Treasury for any advance made under section 601(b).

"(ii) FINANCIAL PLAN AND BUDGET NOT APPROVED.—If the Authority has not approved a financial plan and budget for the District government by October 1, 1996, the annual Federal payment appropriated to the District government for the fiscal year ending September 30, 1997, shall be withheld and applied to discharge the District government's obligation to reimburse the Treasury for any advance made under section 601(b).

"(b) REMEDIES FOR FAILURE TO REIMBURSE.—If, on any date on which a reimbursement payment is due to the Treasury under the terms of any advance made under this title, the District government does not make such reimbursement payment, the Secretary shall take the actions listed in this subsection.

"(1) WITHHOLD ANNUAL FEDERAL PAYMENT.—Notwithstanding any other law, before turning over to the Authority (on behalf of the District government under section 205 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995) any annual Federal payment appropriated to the District government for any fiscal year under title V of the District of Columbia Self-Government and Governmental Reorganization Act (if any), the Secretary shall withhold from such annual Federal payment, and apply toward reimbursement for the payment not made, an amount equal to the amount needed to fully reimburse the Treasury for the payment not made.

"(2) WITHHOLD OTHER FEDERAL PAYMENTS.—If, after the Secretary takes the action described in paragraph (1), the Treasury is not fully reimbursed, the Secretary shall withhold from each grant, entitlement, loan, or other payment to the District government by the Federal Government not dedicated to making entitlement or benefit payments to individuals, and apply toward reimbursement for the payment not made, an amount that, when added to the amount withheld from each other such grant, entitlement, loan, or other payment, will be equal to the amount needed to fully reimburse the Treasury for the payment not made.

"(3) ATTACH AVAILABLE DISTRICT REVENUES.—If, after the Secretary takes the actions described in paragraphs (1) and (2), the Treasury is not fully reimbursed, the Secretary shall attach any and all revenues of the District government which the Secretary may lawfully attach, and apply toward reimbursement for the payment not made, an amount equal to the amount needed to fully reimburse the Treasury for the payment not made.

"(4) TAKE OTHER ACTIONS.—If, after the Secretary takes the actions described in paragraphs (1) through (3), the Treasury is not fully reimbursed, the Secretary shall take any and all other actions permitted by law to recover from the District government the amount needed to fully reimburse the Treasury for the payment not made.

"SEC. 605. DEFINITIONS.

"For purposes of this title—

"(1) the term 'Authority' means the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995;

"(2) the term 'control period' has the meaning given such term under section 305(4) of such Act;

"(3) the term 'District government' has the meaning given such term under section 305(5) of such Act;

"(4) the term 'financial plan and budget' has the meaning given such term under section 305(6) of such Act; and

"(5) the term 'Secretary' means the Secretary of the Treasury."

(d) EXPENDITURE OF FUNDS FROM ACCOUNT IN ACCORDANCE WITH AUTHORITY INSTRUCTIONS.—Any funds allocated by the Authority to the Mayor from the escrow account described in subsection (b)(1) may be expended by the Mayor only in accordance with the terms and conditions established by the Authority at the time the funds are allocated.

(e) PROHIBITION AGAINST BORROWING WHILE SUIT PENDING.—The Mayor may not requisition advances from the Treasury pursuant to title VI of the District of Columbia Revenue Act of 1939 if there is an action filed by the Mayor or the Council which is pending against the Authority challenging the establishment of or any action taken by the Authority.

SEC. 205. DEPOSIT OF ANNUAL FEDERAL PAYMENT WITH AUTHORITY.

(a) IN GENERAL.—

(1) DEPOSIT INTO ESCROW ACCOUNT.—In the case of a fiscal year which is a control year, the Secretary of the Treasury shall deposit the annual Federal payment to the District of Columbia for the year authorized under title V of the District of Columbia Self-Government and Governmental Reorganization Act into an escrow account held by the Authority, which shall allocate the funds to the Mayor at such intervals and in accordance with such terms and conditions as it considers appropriate to implement the financial plan for the year. In establishing such terms

and conditions, the Authority shall give priority to using the Federal payment for cash flow management and the payment of outstanding bills owed by the District government.

(2) EXCEPTION FOR AMOUNTS WITHHELD FOR ADVANCES.—Paragraph (1) shall not apply with respect to any portion of the Federal payment which is withheld by the Secretary of the Treasury in accordance with section 604 of title VI of the District of Columbia Revenue Act of 1939 (as added by section 204(c)) to reimburse the Secretary for advances made under title VI of such Act.

(b) EXPENDITURE OF FUNDS FROM ACCOUNT IN ACCORDANCE WITH AUTHORITY INSTRUCTIONS.—Any funds allocated by the Authority to the Mayor from the escrow account described in paragraph (1) may be expended by the Mayor only in accordance with the terms and conditions established by the Authority at the time the funds are allocated.

SEC. 206. EFFECT OF FINDING OF NON-COMPLIANCE WITH FINANCIAL PLAN AND BUDGET.

(a) SUBMISSION OF REPORTS.—Not later than 30 days after the expiration of each quarter of each fiscal year (beginning with fiscal year 1996), the Mayor shall submit reports to the Authority describing the actual revenues obtained and expenditures made by the District government during the quarter with its cash flows during the quarter, and comparing such actual revenues, expenditures, and cash flows with the most recent projections for these items.

(b) DEMAND FOR ADDITIONAL INFORMATION.—If the Authority determines, based on reports submitted by the Mayor under subsection (a), independent audits, or such other information as the Authority may obtain, that the revenues or expenditures of the District government during a control year are not consistent with the financial plan and budget for the year, the Authority shall require the Mayor to provide such additional information as the Authority determines to be necessary to explain the inconsistency.

(c) CERTIFICATION OF VARIANCE.—

(1) IN GENERAL.—After requiring the Mayor to provide additional information under subsection (b), the Authority shall certify to the Council, the President, the Secretary of the Treasury, and Congress that the District government is at variance with the financial plan and budget unless—

(A)(i) the additional information provides an explanation for the inconsistency which the Authority finds reasonable and appropriate, or

(ii) the District government adopts or implements remedial action (including revising the financial plan and budget pursuant to section 202(e)) to correct the inconsistency which the Authority finds reasonable and appropriate, taking into account the terms of the financial plan and budget; and

(B) the Mayor agrees to submit the reports described in subsection (a) on a monthly basis for such period as the Authority may require.

(2) SPECIAL RULE FOR INCONSISTENCIES ATTRIBUTABLE TO ACTS OF CONGRESS.—

(A) DETERMINATION BY AUTHORITY.—If the Authority determines that the revenues or expenditures of the District government during a control year are not consistent with the financial plan and budget for the year as approved by the Authority under section 202 as a result of the terms and conditions of the budget of the District government for the year as enacted by Congress or as a result of any other law enacted by Congress which affects the District of Columbia, the Authority shall so notify the Mayor.

(B) CERTIFICATION.—In the case of an inconsistency described in subparagraph (A), the Authority shall certify to the Council,

the President, the Secretary of the Treasury, and Congress that the District government is at variance with the financial plan and budget unless the District government adopts or implements remedial action (including revising the financial plan and budget pursuant to section 202(e)) to correct the inconsistency which the Authority finds reasonable and appropriate, taking into account the terms of the financial plan and budget.

(d) EFFECT OF CERTIFICATION.—If the Authority certifies to the Secretary of the Treasury that a variance exists—

(1) the Authority may withhold any funds deposited with the Authority under section 204(b) or section 205(a) which would otherwise be expended on behalf of the District government; and

(2) the Secretary shall withhold funds otherwise payable to the District of Columbia under such Federal programs as the Authority may specify (other than funds dedicated to making entitlement or benefit payments to individuals), in such amounts and under such other conditions as the Authority may specify.

SEC. 207. RECOMMENDATIONS ON FINANCIAL STABILITY AND MANAGEMENT RESPONSIBILITY.

(a) IN GENERAL.—The Authority may at any time submit recommendations to the Mayor, the Council, the President, and Congress on actions the District government or the Federal Government may take to ensure compliance by the District government with a financial plan and budget or to otherwise promote the financial stability, management responsibility, and service delivery efficiency of the District government, including recommendations relating to—

(1) the management of the District government's financial affairs, including cash forecasting, information technology, placing controls on expenditures for personnel, reducing benefit costs, reforming procurement practices, and placing other controls on expenditures;

(2) the relationship between the District government and the Federal Government;

(3) the structural relationship of departments, agencies, and independent agencies within the District government;

(4) the modification of existing revenue structures, or the establishment of additional revenue structures;

(5) the establishment of alternatives for meeting obligations to pay for the pensions of former District government employees;

(6) modifications or transfers of the types of services which are the responsibility of and are delivered by the District government;

(7) modifications of the types of services which are delivered by entities other than the District government under alternative service delivery mechanisms (including privatization and commercialization);

(8) the effects of District of Columbia laws and court orders on the operations of the District government;

(9) the establishment of a personnel system for employees of the District government which is based upon employee performance standards; and

(10) the improvement of personnel training and proficiency, the adjustment of staffing levels, and the improvement of training and performance of management and supervisory personnel.

(b) RESPONSE TO RECOMMENDATIONS FOR ACTIONS WITHIN AUTHORITY OF DISTRICT GOVERNMENT.—

(1) IN GENERAL.—In the case of any recommendations submitted under subsection (a) during a control year which are within the authority of the District government to adopt, not later than 90 days after receiving the recommendations, the Mayor or the

Council (whichever has the authority to adopt the recommendation) shall submit a statement to the Authority, the President, and Congress which provides notice as to whether the District government will adopt the recommendations.

(2) IMPLEMENTATION PLAN REQUIRED FOR ADOPTED RECOMMENDATIONS.—If the Mayor or the Council (whichever is applicable) notifies the Authority and Congress under paragraph (1) that the District government will adopt any of the recommendations submitted under subsection (a), the Mayor or the Council (whichever is applicable) shall include in the statement a written plan to implement the recommendation which includes—

(A) specific performance measures to determine the extent to which the District government has adopted the recommendation; and

(B) a schedule for auditing the District government's compliance with the plan.

(3) EXPLANATIONS REQUIRED FOR RECOMMENDATIONS NOT ADOPTED.—If the Mayor or the Council (whichever is applicable) notifies the Authority, the President, and Congress under paragraph (1) that the District government will not adopt any recommendation submitted under subsection (a) which the District government has authority to adopt, the Mayor or the Council shall include in the statement explanations for the rejection of the recommendations.

(c) IMPLEMENTATION OF REJECTED RECOMMENDATIONS BY AUTHORITY.—

(1) IN GENERAL.—If the Mayor or the Council (whichever is applicable) notifies the Authority, the President, and Congress under subsection (b)(1) that the District government will not adopt any recommendation submitted under subsection (a) which the District government has authority to adopt, the Authority may by a majority vote of its members take such action concerning the recommendation as it deems appropriate, after consulting with the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate.

(2) EFFECTIVE DATE.—This subsection shall apply with respect to recommendations of the Authority made after the expiration of the 6-month period which begins on the date of the enactment of this Act.

SEC. 208. SPECIAL RULES FOR FISCAL YEAR 1996.

(a) ADOPTION OF TRANSITION BUDGET.—Notwithstanding any provision of section 202 to the contrary, in the case of fiscal year 1996, the following rules shall apply:

(1) Not later than 45 days after the appointment of its members, the Authority shall review the proposed budget for the District of Columbia for such fiscal year submitted to Congress under section 446 of the District of Columbia Self-Government and Governmental Reorganization Act (taking into account any items or provisions disapproved by the Mayor or disapproved by the Mayor and reenacted by the Council under section 404(f) of the District of Columbia Self-Government and Governmental Reorganization Act, as amended by section 202(f)(2)) and the multiyear plan for the District of Columbia prepared pursuant to section 443 of the District of Columbia Self-Government and Governmental Reorganization Act, and shall submit any recommendations for modifications to such financial plan and budget to promote the financial stability of the District government to the Mayor, the Council, the President, and Congress.

(2) Not later than 15 days after receiving the recommendations of the Authority submitted under paragraph (1), the Council (in consultation with the Mayor) shall promptly adopt a revised budget for the fiscal year (in this section referred to as the "transition

budget”), and shall submit the transition budget to the Authority, the President, and Congress.

(3) Not later than 15 days after receiving the transition budget from the Council under paragraph (2), the Authority shall submit a report to the Mayor, the Council, the President, and Congress analyzing the budget (taking into account any items or provisions disapproved by the Mayor or disapproved by the Mayor and reenacted by the Council under section 404(f) of the District of Columbia Self-Government and Governmental Reorganization Act, as amended by section 202(f)(2)), and shall include in the report such recommendations for revisions to the transition budget as the Authority considers appropriate to promote the financial stability of the District government during the fiscal year.

(b) FINANCIAL PLAN AND BUDGET.—

(1) **DEADLINE FOR SUBMISSION.**—For purposes of section 202, the Mayor shall submit the financial plan and budget for fiscal year 1996 as soon as practicable after the date of the enactment of this Act (in accordance with guidelines established by the Authority).

(2) **ADOPTION BY COUNCIL.**—In accordance with the procedures applicable under section 202 (including procedures providing for review by the Authority)—

(A) the Council shall adopt the financial plan and budget for the fiscal year (including the supplemental budget incorporated in the financial plan and budget) prior to the submission by the Mayor of the financial plan and budget for fiscal year 1997 under section 202(a); and

(B) the financial plan and budget adopted by the Council (and, in the case of a financial plan and budget disapproved by the Authority, together with the financial plan and budget approved and recommended by the Authority) shall be submitted to Congress (in accordance with the procedures applicable under such section) as a supplemental budget request for fiscal year 1996 (in accordance with section 446 of the District of Columbia Self-Government and Governmental Reorganization Act).

(3) **TRANSITION BUDGET AS TEMPORARY FINANCIAL PLAN AND BUDGET.**—Until the approval of the financial plan and budget for fiscal year 1996 by the Authority under this subsection, the transition budget established under subsection (a) (as enacted by Congress) shall serve as the financial plan and budget adopted under this subtitle for purposes of this Act (and any provision of law amended by this Act) for fiscal year 1996.

(c) RESTRICTIONS ON ADVANCES FROM TREASURY.—

(1) **MONTHLY DETERMINATION OF PROGRESS TOWARD FINANCIAL PLAN AND BUDGET.**—During each month of fiscal year 1996 prior to the adoption of the financial plan and budget, the Authority shall determine whether the District government is making appropriate progress in preparing and adopting a financial plan and budget for the fiscal year under this subtitle.

(2) **CERTIFICATION.**—The Authority shall provide the President and Congress with a certification if the Authority finds that the District government is not making appropriate progress in developing the financial plan and budget for a month, and shall notify the President and Congress that the certification is no longer in effect if the Authority finds that the District government is making such progress after the certification is provided.

(3) **PROHIBITION AGAINST ALLOCATION OF ADVANCES IF CERTIFICATION IN EFFECT.**—At any time during which a certification under paragraph (2) is in effect, Authority may not allocate any funds obtained through ad-

vances to the Mayor under title VI of the District of Columbia Revenue Act of 1939 from the escrow account in which the funds are held.

SEC. 209. CONTROL PERIODS DESCRIBED.

(a) **INITIATION.**—For purposes of this Act, a “control period” is initiated upon the occurrence of any of the following events (as determined by the Authority based upon information obtained through the Mayor, the Inspector General of the District of Columbia, or such other sources as the Authority considers appropriate):

(1) The requisitioning by the Mayor of advances from the Treasury of the United States under title VI of the District of Columbia Revenue Act of 1939 (sec. 47-3401, D.C. Code), or the existence of any unreimbursed amounts obtained pursuant to such authority.

(2) The failure of the District government to provide sufficient revenue to a debt service reserve fund of the Authority under subtitle B.

(3) The default by the District government with respect to any loans, bonds, notes, or other form of borrowing.

(4) The failure of the District government to meet its payroll for any pay period.

(5) The existence of a cash deficit of the District government at the end of any quarter of the fiscal year in excess of the difference between the estimated revenues of the District government and the estimated expenditures of the District government (including repayments of temporary borrowings) during the remainder of the fiscal year or the remainder of the fiscal year together with the first 6 months of the succeeding fiscal year (as determined by the Authority in consultation with the Chief Financial Officer of the District of Columbia).

(6) The failure of the District government to make required payments relating to pensions and benefits for current and former employees of the District government.

(7) The failure of the District government to make required payments to any entity established under an interstate compact to which the District of Columbia is a signatory.

(b) TERMINATION.—

(1) **IN GENERAL.**—A control period terminates upon the certification by the Authority that—

(A) the District government has adequate access to both short-term and long-term credit markets at reasonable interest rates to meet its borrowing needs; and

(B) for 4 consecutive fiscal years (occurring after the date of the enactment of this Act) the expenditures made by the District government during each of the years did not exceed the revenues of the District government during such years (as determined in accordance with generally accepted accounting principles, as contained in the comprehensive annual financial report for the District of Columbia under section 448(a)(4) of the District of Columbia Self-Government and Governmental Reorganization Act).

(2) **CONSULTATION WITH INSPECTOR GENERAL.**—In making the determination under this subsection, the Authority shall consult with the Inspector General of the District of Columbia.

(c) **CONTROL PERIOD DEEMED TO EXIST UPON ENACTMENT.**—For purposes of this subtitle, a control period is deemed to exist upon the enactment of this Act.

Subtitle B—Issuance of Bonds

SEC. 211. AUTHORITY TO ISSUE BONDS.

(a) IN GENERAL.—

(1) **REQUEST OF MAYOR.**—Subject to the requirements of this subtitle, the Authority may at the request of the Mayor pursuant to an Act of the Council issue bonds, notes, or other obligations to borrow funds to obtain

funds for the use of the District government, in such amounts and in such manner as the Authority considers appropriate.

(2) **SPECIAL RULE FOR INSTRUMENTALITIES WITH INDEPENDENT BORROWING AUTHORITY.**—In the case of an agency or instrumentality of the District government which under law has the authority to issue bonds, notes, or obligations to borrow funds without the enactment of an Act of the Council, the Authority may issue bonds, notes, or other obligations to borrow funds for the use or functions of such agency or instrumentality at the request of the head of the agency or instrumentality.

(b) **DEPOSIT OF FUNDS OBTAINED THROUGH BORROWING WITH AUTHORITY.**—Any funds obtained by the District government through borrowing by the Authority pursuant to this subtitle shall be deposited into an escrow account held by the Authority, which shall allocate such funds to the District government in such amounts and at such times as the Authority considers appropriate, consistent with the specified purposes of such funds and the applicable financial plan and budget under subtitle A.

(c) **USES OF FUNDS OBTAINED THROUGH BONDS.**—Any funds obtained through the issuance of bonds, notes, or other obligations pursuant to this subtitle may be used for any purpose (consistent with the applicable financial plan and budget) under subtitle A for which the District government may use borrowed funds under the District of Columbia Self-Government and Governmental Reorganization Act and for any other purpose which the Authority considers appropriate.

SEC. 212. PLEDGE OF SECURITY INTEREST IN REVENUES OF DISTRICT GOVERNMENT.

(a) **IN GENERAL.**—The Authority may pledge or grant a security interest in revenues to individuals or entities purchasing bonds, notes, or other obligations issued pursuant to this subtitle.

(b) **DEDICATION OF REVENUE STREAM FROM DISTRICT GOVERNMENT.**—The Authority shall require the Mayor—

(1) to pledge or direct taxes or other revenues otherwise payable to the District government (which are not otherwise pledged or committed), including payments from the Federal Government, to the Authority for purposes of securing repayment of bonds, notes, or other obligations issued pursuant to this subtitle; and

(2) to transfer the proceeds of any tax levied for purposes of securing such bonds, notes, or other obligations to the Authority immediately upon collection.

SEC. 213. ESTABLISHMENT OF DEBT SERVICE RESERVE FUND.

(a) **IN GENERAL.**—As a condition for the issuance of bonds, notes, or other obligations pursuant to this subtitle, the Authority shall establish a debt service reserve fund in accordance with this section.

(b) REQUIREMENTS FOR FUND.—

(1) **FUND DESCRIBED.**—A debt service reserve fund established by the Authority pursuant to this subsection shall consist of such funds as the Authority may make available, and shall be a trust fund held for the benefit and security of the obligees of the Authority whose bonds, notes, or other obligations are secured by such fund.

(2) **USES OF FUNDS.**—Amounts in a debt service reserve fund may be used solely for the payment of the principal of bonds secured in whole or in part by such fund, the purchase or redemption of such bonds, the payment of interest on such bonds, or the payment of any redemption premium required to be paid when such bonds and notes are redeemed prior to maturity.

(3) **RESTRICTIONS ON WITHDRAWALS.—**

(A) IN GENERAL.—Amounts in a debt service reserve fund may not be withdrawn from the fund at any time in an amount that would reduce the amount of the fund to less than the minimum reserve fund requirement established for such fund in the resolution of the Authority creating such fund, except for withdrawals for the purpose of making payments when due of principal, interest, redemption premiums and sinking fund payments, if any, with respect to such bonds for the payment of which other moneys of the Authority are not available, and for the purpose of funding the operations of the Authority for a fiscal year (in such amounts and under such conditions as are established under the budget of the Authority for the fiscal year under section 106(a)).

(B) USE OF EXCESS FUNDS.—Nothing in subparagraph (A) may be construed to prohibit the Authority from transferring any income or interest earned by, or increments to, any debt service reserve fund due to the investment thereof to other funds or accounts of the Authority (to the extent such transfer does not reduce the amount of the debt service reserve fund below the minimum reserve fund requirement established for such fund) for such purposes as the Authority considers appropriate to promote the financial stability and management efficiency of the District government.

SEC. 214. OTHER REQUIREMENTS FOR ISSUANCE OF BONDS.

(a) MINIMUM DEBT SERVICE RESERVE FUND REQUIREMENT.—The Authority may not at any time issue bonds, notes, or other obligations pursuant to this subtitle which are secured in whole or in part by a debt service reserve fund under section 213 if issuance of such bonds would cause the amount in the debt reserve fund to fall below the minimum reserve requirement for such fund, unless the Authority at the time of issuance of such bonds shall deposit in the fund an amount (from the proceeds of the bonds to be issued or from other sources) which when added to the amount already in such fund will cause the total amount on deposit in such fund to equal or exceed the minimum reserve fund requirement established by the Authority at the time of the establishment of the fund.

(b) AMOUNTS INCLUDED IN AGGREGATE LIMIT ON DISTRICT BORROWING.—Any amounts provided to the District government through the issuance of bonds, notes, or other obligations to borrow funds pursuant to this subtitle shall be taken into account in determining whether the amount of funds borrowed by the District of Columbia during a fiscal year exceeds the limitation on such amount provided under section 603(b) of the District of Columbia Self-Government and Governmental Reorganization Act.

SEC. 215. NO FULL FAITH AND CREDIT OF THE UNITED STATES.

The full faith and credit of the United States is not pledged for the payment of any principal of or interest on any bond, note, or other obligation issued by the Authority pursuant to this subtitle. The United States is not responsible or liable for the payment of any principal of or interest on any bond, note, or other obligation issued by the Authority pursuant to this subtitle.

Subtitle C—Other Duties of Authority

SEC. 221. DUTIES OF AUTHORITY DURING YEAR OTHER THAN CONTROL YEAR.

(a) IN GENERAL.—During the period beginning upon the termination of a control period pursuant to section 209(b) and ending with the suspension of its activities pursuant to section 107(a), the Authority shall conduct the following activities:

(1) The Authority shall review the budgets of the District government adopted by the

Council under section 446 of the District of Columbia Self-Government and Governmental Reorganization Act for each fiscal year occurring during such period.

(2) At such time prior to the enactment of such budget by Congress as the Authority considers appropriate, the Authority shall prepare a report analyzing the budget and submit the report to the Mayor, the Council, the President, and Congress.

(3) The Authority shall monitor the financial status of the District government and shall submit reports to the Mayor, the Council, the President, and Congress if the Authority determines that a risk exists that a control period may be initiated pursuant to section 209(a).

(4) The Authority shall carry out activities under subtitle B with respect to bonds, notes, or other obligations of the Authority outstanding during such period.

(b) REQUIRING MAYOR TO SUBMIT BUDGETS TO AUTHORITY.—With respect to the budget for each fiscal year occurring during the period described in subsection (a), at the time the Mayor submits the budget of the District government adopted by the Council to the President under section 446 of the District of Columbia Self-Government and Governmental Reorganization Act, the Mayor shall submit such budget to the Authority.

SEC. 222. GENERAL ASSISTANCE IN ACHIEVING FINANCIAL STABILITY AND MANAGEMENT EFFICIENCY.

In addition to any other actions described in this title, the Authority may undertake cooperative efforts to assist the District government in achieving financial stability and management efficiency, including—

(1) assisting the District government in avoiding defaults, eliminating and liquidating deficits, maintaining sound budgetary practices, and avoiding interruptions in the delivery of services;

(2) assisting the District government in improving the delivery of municipal services, the training and effectiveness of personnel of the District government, and the efficiency of management and supervision; and

(3) making recommendations to the President for transmission to Congress on changes to this Act or other Federal laws, or other actions of the Federal Government, which would assist the District government in complying with an approved financial plan and budget under subtitle A.

SEC. 223. OBTAINING REPORTS.

The Authority may require the Mayor, the Chair of the Council, the Chief Financial Officer of the District of Columbia, and the Inspector General of the District of Columbia, to prepare and submit such reports as the Authority considers appropriate to assist it in carrying out its responsibilities under this Act, including submitting copies of any reports regarding revenues, expenditures, budgets, costs, plans, operations, estimates, and other financial or budgetary matters of the District government.

SEC. 224. REPORTS AND COMMENTS.

(a) ANNUAL REPORTS TO CONGRESS.—Not later than 30 days after the last day of each fiscal year which is a control year, the Authority shall submit a report to Congress describing—

(1) the progress made by the District government in meeting the objectives of this Act during the fiscal year;

(2) the assistance provided by the Authority to the District government in meeting the purposes of this Act for the fiscal year; and

(3) any other activities of the Authority during the fiscal year.

(b) REVIEW AND ANALYSIS OF PERFORMANCE AND FINANCIAL ACCOUNTABILITY REPORTS.—

(1) IN GENERAL.—The Authority shall review each report prepared and submitted by the Mayor under section 456 of the District of Columbia Self-Government and Governmental Reorganization Act (as added by section 3(a) of the Federal Payment Reauthorization Act of 1994), and shall submit a report to Congress analyzing the completeness and accuracy of such reports.

(2) SUBMISSION OF REPORTS BY MAYOR.—Section 456 of the District of Columbia Self-Government and Governmental Reorganization Act, as added by section 3(a) of the Federal Payment Reauthorization Act of 1994, is amended by adding at the end the following new subsection:

“(e) SUBMISSION OF REPORTS TO DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY.—In the case of any report submitted by the Mayor under this section for a fiscal year (or any quarter of a fiscal year) which is a control year under the District of Columbia Financial Responsibility and Management Assistance Act of 1995, the Mayor shall submit the report to the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of such Act in addition to any other individual to whom the Mayor is required to submit the report under this section.”.

(c) COMMENTS REGARDING ACTIVITIES OF DISTRICT GOVERNMENT.—At any time during a control year, the Authority may submit a report to Congress describing any action taken by the District government (or any failure to act by the District government) which the Authority determines will adversely affect the District government's ability to comply with an approved financial plan and budget under subtitle A or will otherwise have a significant adverse impact on the best interests of the District of Columbia.

(d) REPORTS ON EFFECT OF FEDERAL LAWS ON DISTRICT GOVERNMENT.—At any time during any year, the Authority may submit a report to the Mayor, the Council, the President, and Congress on the effect of laws enacted by Congress on the financial plan and budget for the year and on the financial stability and management efficiency of the District government in general.

(e) MAKING REPORTS PUBLICLY AVAILABLE.—The Authority shall make any report submitted under this section available to the public, except to the extent that the Authority determines that the report contains confidential material.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. OTHER DISTRICT BUDGET REFORMS.

(a) INCLUSION OF ALL FUNDS OF DISTRICT IN BUDGET OF DISTRICT GOVERNMENT.—

(1) IN GENERAL.—Section 103 of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1-202, D.C. Code) is amended—

(A) by amending paragraph (10) to read as follows:

“(10) The term ‘District revenues’ means all funds derived from taxes, fees, charges, miscellaneous receipts, the annual Federal payment to the District authorized under title V, grants and other forms of financial assistance, or the sale of bonds, notes, or other obligations, and any funds administered by the District government under cost sharing arrangements.”;

(B) by amending paragraph (14) to read as follows:

“(14) The term ‘resources’ means revenues, balances, enterprise or other revolving funds, and funds realized from borrowing.”; and

(C) by amending paragraph (15) to read as follows:

"(15) The term 'budget' means the entire request for appropriations or loan or spending authority for all activities of all departments or agencies of the District of Columbia financed from all existing, proposed or anticipated resources, and shall include both operating and capital expenditures."

(2) **EFFECTIVE DATE.**—The amendments made by paragraph (1) shall apply with respect to revenues, resources, and budgets of the District of Columbia for fiscal years beginning with fiscal year 1996.

(b) **RESTRICTIONS ON REPROGRAMMING OF FUNDS.**—

(1) **IN GENERAL.**—Section 446 of such Act (sec. 47-304, D.C. Code) is amended by adding at the end the following: "After the adoption of the annual budget for a fiscal year (beginning with the annual budget for fiscal year 1995), no reprogramming of amounts in the budget may occur unless the Mayor submits to the Council a request for such reprogramming and the Council approves the request, but only if any additional expenditures provided under such request for an activity are offset by reductions in expenditures for another activity."

(2) **CONFORMING AMENDMENT.**—Section 5 of D.C. Law 3-100 (sec. 47-364, D.C. Code) is hereby repealed.

(c) **PERMITTING COUNCIL TO REQUEST BUDGET ADJUSTMENTS FROM MAYOR.**—Section 442 of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 47-301, D.C. Code) is amended by adding at the end the following new subsection:

"(d) The Mayor shall prepare and submit to the Council a proposed supplemental or deficiency budget recommendation under subsection (c) if the Council by resolution requests the Mayor to submit such a recommendation."

(d) **REQUIRING BUDGETARY IMPACT STATEMENTS TO ACCOMPANY ACTS OF COUNCIL.**—

(1) **IN GENERAL.**—Section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1-233(c), D.C. Code) is amended by adding at the end the following new paragraph:

"(3) The Council shall submit with each Act transmitted under this subsection an estimate of the costs which will be incurred by the District of Columbia as a result of the enactment of the Act in each of the first 4 fiscal years for which the Act is in effect, together with a statement of the basis for such estimate."

(2) **EFFECTIVE DATE.**—The amendment made by paragraph (1) shall apply to Acts of the Council transmitted on or after October 1, 1995.

(e) **EXTENSION OF AUTHORIZATION OF ANNUAL FEDERAL PAYMENT.**—Section 503(c) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 47-3406.1(c), D.C. Code), as added by section 2 of the Federal Payment Reauthorization Act of 1994, is amended by striking "fiscal year 1996" and inserting "each of the fiscal years 1996, 1997, 1998, and 1999".

SEC. 302. ESTABLISHMENT OF CHIEF FINANCIAL OFFICER OF DISTRICT OF COLUMBIA.

(a) **IN GENERAL.**—Part B of title IV of the District of Columbia Self-Government and Governmental Reorganization Act is amended by adding at the end the following new section:

"CHIEF FINANCIAL OFFICER OF THE DISTRICT OF COLUMBIA

"SEC. 424. (a) **ESTABLISHMENT OF OFFICE.**—

"(1) **IN GENERAL.**—There is hereby established within the executive branch of the government of the District of Columbia an Office of the Chief Financial Officer of the District of Columbia (hereafter referred to as the 'Office'), which shall be headed by the

Chief Financial Officer of the District of Columbia (hereafter referred to as the 'Chief Financial Officer').

"(2) **OFFICE OF THE TREASURER.**—The Office shall include the Office of the Treasurer, which shall be headed by the Treasurer of the District of Columbia, who shall be appointed by the Chief Financial Officer and subject to the Chief Financial Officer's direction and control.

"(3) **TRANSFER OF OTHER OFFICES.**—Effective with the appointment of the first Chief Financial Officer under subsection (b), the functions and personnel of the following offices are transferred to the Office:

"(A) The Controller of the District of Columbia.

"(B) The Office of the Budget.

"(C) The Office of Financial Information Services.

"(D) The Department of Finance and Revenue.

"(4) **SERVICE OF HEADS OF OTHER OFFICES.**—

"(A) **OFFICE HEADS APPOINTED BY MAYOR.**—With respect to the head of the Office of the Budget and the head of the Department of Finance and Revenue—

"(i) the Mayor shall appoint such individuals with the advice and consent of the Council, subject to the approval of the Authority during a control year; and

"(ii) during a control year, the Authority may remove such individuals from office for cause, after consultation with the Mayor.

"(B) **OFFICE HEADS APPOINTED BY CHIEF FINANCIAL OFFICER.**—With respect to the Controller of the District of Columbia and the head of the Office of Financial Information Services—

"(i) the Chief Financial Officer shall appoint such individuals subject to the approval of the Mayor; and

"(ii) the Chief Financial Officer may remove such individuals from office for cause, after consultation with the Mayor.

"(b) **APPOINTMENT.**—

"(1) **IN GENERAL.**—

"(A) **CONTROL YEAR.**—During a control year, the Chief Financial Officer shall be appointed by the Mayor as follows:

"(i) Prior to the appointment of the Chief Financial Officer, the Authority may submit recommendations for the appointment to the Mayor.

"(ii) In consultation with the Authority and the Council, the Mayor shall nominate an individual for appointment and notify the Council of the nomination.

"(iii) After the expiration of the 7-day period which begins on the date the Mayor notifies the Council of the nomination under clause (ii), the Mayor shall notify the Authority of the nomination.

"(iv) The nomination shall be effective subject to approval by a majority vote of the Authority.

"(B) **OTHER YEARS.**—During a year other than a control year, the Chief Financial Officer shall be appointed by the Mayor with the advice and consent of the Council. Prior to appointment, the Authority may submit recommendations for the appointment.

"(2) **REMOVAL.**—

"(A) **CONTROL YEAR.**—During a control year, the Chief Financial Officer may be removed for cause by the Authority or by the Mayor with the approval of the Authority.

"(B) **OTHER YEARS.**—During a year other than a control year, the Chief Financial Officer shall serve at the pleasure of the Mayor, except that the Chief Financial Officer may only be removed for cause.

"(3) **SALARY.**—The Chief Financial Officer shall be paid at an annual rate determined by the Mayor, except that such rate may not exceed the rate of basic pay payable for level IV of the Executive Schedule.

"(c) **FUNCTIONS DURING CONTROL YEAR.**—During a control year, the Chief Financial Officer shall have the following duties:

"(1) Preparing the financial plan and budget for the use of the Mayor for purposes of subtitle A of title II of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

"(2) Preparing the budgets of the District of Columbia for the year for the use of the Mayor for purposes of part D.

"(3) Assuring that all financial information presented by the Mayor is presented in a manner, and is otherwise consistent with, the requirements of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

"(4) Implementing appropriate procedures and instituting such programs, systems, and personnel policies within the Officer's authority, to ensure that budget, accounting and personnel control systems and structures are synchronized for budgeting and control purposes on a continuing basis.

"(5) With the approval of the Authority, preparing and submitting to the Mayor and the Council—

"(A) annual estimates of all revenues of the District of Columbia (without regard to the source of such revenues), including proposed revenues, which shall be binding on the Mayor and the Council for purposes of preparing and submitting the budget of the District government for the year under part D, except that the Mayor and the Council may prepare the budget based on estimates of revenues which are lower than those prepared by the Chief Financial Officer; and

"(B) quarterly re-estimates of the revenues of the District of Columbia during the year.

"(6) Supervising and assuming responsibility for financial transactions to ensure adequate control of revenues and resources, and to ensure that appropriations are not exceeded.

"(7) Maintaining systems of accounting and internal control designed to provide—

"(A) full disclosure of the financial impact of the activities of the District government;

"(B) adequate financial information needed by the District government for management purposes;

"(C) effective control over, and accountability for, all funds, property, and other assets of the District of Columbia; and

"(D) reliable accounting results to serve as the basis for preparing and supporting agency budget requests and controlling the execution of the budget.

"(8) Submitting to the Council a financial statement of the District government, containing such details and at such times as the Council may specify.

"(9) Supervising and assuming responsibility for the assessment of all property subject to assessment and special assessments within the corporate limits of the District of Columbia for taxation, preparing tax maps, and providing such notice of taxes and special assessments (as may be required by law).

"(10) Supervising and assuming responsibility for the levying and collection of all taxes, special assessments, licensing fees, and other revenues of the District of Columbia (as may be required by law), and receiving all amounts paid to the District of Columbia from any source (including the Authority).

"(11) Maintaining custody of all public funds belonging to or under the control of the District government (or any department or agency of the District government), and depositing all amounts paid in such depositories and under such terms and conditions as may be designated by the Council or the Authority.

"(12) Maintaining custody of all investment and invested funds of the District government or in possession of the District government in a fiduciary capacity, and maintaining the safekeeping of all bonds and notes of the District government and the receipt and delivery of District government bonds and notes for transfer, registration, or exchange.

"(13) Apportioning the total of all appropriations and funds made available during the year for obligation so as to prevent obligation or expenditure in a manner which would result in a deficiency or a need for supplemental appropriations during the year, and (with respect to appropriations and funds available for an indefinite period and all authorizations to create obligations by contract in advance of appropriations) apportioning the total of such appropriations, funds, or authorizations in the most effective and economical manner.

"(14) Certifying all contracts (whether directly or through delegation) prior to execution as to the availability of funds to meet the obligations expected to be incurred by the District government under such contracts during the year.

"(15) Prescribing the forms of receipts, vouchers, bills, and claims to be used by all agencies, offices, and instrumentalities of the District government.

"(16) Certifying and approving prior to payment all bills, invoices, payrolls, and other evidences of claims, demands, or charges against the District government, and determining the regularity, legality, and correctness of such bills, invoices, payrolls, claims, demands, or charges.

"(17) In coordination with the Inspector General of the District of Columbia, performing internal audits of accounts and operations and records of the District government, including the examination of any accounts or records of financial transactions, giving due consideration to the effectiveness of accounting systems, internal control, and related administrative practices of the departments and agencies of the District government.

"(d) FUNCTIONS DURING ALL YEARS.—At all times, the Chief Financial Officer shall have the following duties:

"(1) Exercising responsibility for the administration and supervision of the District of Columbia Treasurer (except that the Chief Financial Officer may delegate any portion of such responsibility as the Chief Financial Officer considers appropriate and consistent with efficiency).

"(2) Administering all borrowing programs of the District government for the issuance of long-term and short-term indebtedness.

"(3) Administering the cash management program of the District government, including the investment of surplus funds in governmental and non-governmental interest-bearing securities and accounts.

"(4) Administering the centralized District government payroll and retirement systems.

"(5) Governing the accounting policies and systems applicable to the District government.

"(6) Preparing appropriate annual, quarterly, and monthly financial reports of the accounting and financial operations of the District government.

"(7) Not later than 120 days after the end of each fiscal year (beginning with fiscal year 1995), preparing the complete financial statement and report on the activities of the District government for such fiscal year, for the use of the Mayor under section 448(a)(4) of the District of Columbia Self-Government and Governmental Reorganization Act.

"(e) FUNCTIONS OF TREASURER.—At all times, the Treasurer shall have the following duties:

"(1) Assisting the Chief Financial Officer in reporting revenues received by the District government, including submitting annual and quarterly reports concerning the cash position of the District government not later than 60 days after the last day of the quarter (or year) involved. Such reports shall include:

"(A) Comparative reports of revenue and other receipts by source, including tax, nontax, and Federal revenues, grants and reimbursements, capital program loans, and advances. Each source shall be broken down into specific components.

"(B) Statements of the cash flow of the District government for the preceding quarter or year, including receipts, disbursements, net changes in cash inclusive of the beginning balance, cash and investment, and the ending balance, inclusive of cash and investment. Such statements shall reflect the actual, planned, better or worse dollar amounts and the percentage change with respect to the current quarter, year-to-date, and fiscal year.

"(C) Quarterly cash flow forecast for the quarter or year involved, reflecting receipts, disbursements, net change in cash inclusive of the beginning balance, cash and investment, and the ending balance, inclusive of cash and investment with respect to the actual dollar amounts for the quarter or year, and projected dollar amounts for each of the 3 succeeding quarters.

"(D) Monthly reports reflecting a detailed summary analysis of all District of Columbia government investments, including, but not limited to—

"(i) the total of long-term and short-term investments;

"(ii) a detailed summary analysis of investments by type and amount, including purchases, sales (maturities), and interest;

"(iii) an analysis of investment portfolio mix by type and amount, including liquidity, quality/risk of each security, and similar information;

"(iv) an analysis of investment strategy, including near-term strategic plans and projects of investment activity, as well as forecasts of future investment strategies based on anticipated market conditions, and similar information;

"(v) an analysis of cash utilization, including—

"(i) comparisons of budgeted percentages of total cash to be invested with actual percentages of cash invested and the dollar amounts;

"(ii) comparisons of the next return on invested cash expressed in percentages (yield) with comparable market indicators and established District of Columbia government yield objectives; and

"(iii) comparisons of estimated dollar return against actual dollar yield.

"(E) Monthly reports reflecting a detailed summary analysis of long-term and short-term borrowings inclusive of debt as authorized by section 603, in the current fiscal year and the amount of debt for each succeeding fiscal year not to exceed 5 years. All such reports shall reflect—

"(i) the amount of debt outstanding by type of instrument;

"(ii) the amount of authorized and unissued debt, including availability of short-term lines of credit, United States Treasury borrowings, and similar information;

"(iii) a maturity schedule of the debt;

"(iv) the rate of interest payable upon the debt; and

"(v) the amount of debt service requirements and related debt service reserves.

"(2) Such other functions assigned to the Chief Financial Officer under subsection (c)

or subsection (d) as the Chief Financial Officer may delegate.

"(f) DEFINITIONS.—In this section—

"(1) the term 'Authority' means the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995;

"(2) the term 'control year' has the meaning given such term under section 305(4) of such Act; and

"(3) the term 'District government' has the meaning given such term under section 305(5) of such Act."

(b) PROHIBITING DELEGATION OF CHIEF FINANCIAL OFFICER'S AUTHORITY.—Section 422(6) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1-242(6), D.C. Code) is amended by adding at the end the following: "Nothing in the previous sentence may be construed to permit the Mayor to delegate any functions assigned to the Chief Financial Officer of the District of Columbia under section 424, without regard to whether such functions are assigned to the Chief Financial Officer under such section during a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995) or during any other year."

(c) CONFORMING AMENDMENT.—Effective upon the appointment of the Chief Financial Officer of the District of Columbia under section 424(b) of the District of Columbia Self-Government and Governmental Reorganization Act (as added by subsection (a)), D.C. Law 3-138 (sec. 47-314 et seq., D.C. Code) is repealed.

(d) CLERICAL AMENDMENT.—The table of contents of part B of title IV of the District of Columbia Self-Government and Governmental Reorganization Act is amended by adding at the end the following new item:

"Sec. 424. Chief Financial Officer of the District of Columbia."

SEC. 303. REVISIONS TO POWERS AND DUTIES OF INSPECTOR GENERAL OF DISTRICT OF COLUMBIA.

(a) APPOINTMENT AND TERM OF SERVICE; INDEPENDENCE OF BUDGET.—Section 208(a) of the District of Columbia Procurement Practices Act of 1985 (sec. 1-1182.8(a), D.C. Code) is amended by striking paragraphs (1) and (2) and inserting the following:

"(1)(A) There is created within the executive branch of the government of the District of Columbia the Office of the Inspector General. The Office shall be headed by an Inspector General appointed pursuant to subparagraph (B), who shall serve for a term of 6 years and shall be subject to removal only for cause by the Mayor (with the approval of the District of Columbia Financial Responsibility and Management Assistance Authority in a control year) or (in the case of a control year) by the Authority. The Inspector General may be reappointed for additional terms.

"(B) During a control year, the Inspector General shall be appointed by the Mayor as follows:

"(i) Prior to the appointment of the Inspector General, the Authority may submit recommendations for the appointment to the Mayor.

"(ii) In consultation with the Authority and the Council, the Mayor shall nominate an individual for appointment and notify the Council of the nomination.

"(iii) After the expiration of the 7-day period which begins on the date the Mayor notifies the Council of the nomination under clause (ii), the Mayor shall notify the Authority of the nomination.

(iv) The nomination shall be effective subject to approval by a majority vote of the Authority.

(C) During a year which is not a control year, the Inspector General shall be appointed by the Mayor with the advice and consent of the Council. Prior to appointment, the Authority may submit recommendations for the appointment.

(D) The Inspector General shall be appointed without regard to party affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial management analysis, public administration, or investigations.

(E) The Inspector General shall be paid at an annual rate determined by the Mayor, except that such rate may not exceed the rate of basic pay payable for level IV of the Executive Schedule.

(2) The annual budget for the Office shall be adopted as follows:

(A) The Inspector General shall prepare and submit to the Mayor, for inclusion in the annual budget of the District of Columbia under part D of title IV of the District of Columbia Self-Government and Governmental Reorganization Act for the year, annual estimates of the expenditures and appropriations necessary for the operation of the Office for the year. All such estimates shall be forwarded by the Mayor to the Council of the District of Columbia for its action pursuant to sections 446 and 603(c) of such Act, without revision but subject to recommendations. Notwithstanding any other provision of such Act, the Council may comment or make recommendations concerning such estimates, but shall have no authority to revise such estimates.

(B) Upon receipt of the annual Federal payment for the District of Columbia authorized under title V of the District of Columbia Self-Government and Governmental Reorganization Act, the Mayor shall deposit a portion of the payment (equal to the estimate of necessary appropriations described in subparagraph (A)) into a dedicated fund within the government of the District of Columbia.

(C) Amounts deposited in the dedicated fund described in subparagraph (B) shall be available solely for the operation of the Office, and shall be paid to the Inspector General by the Mayor (acting through the Chief Financial Officer of the District of Columbia) in such installments and at such times as the Inspector General requires.

(b) ADDITIONAL POWERS AND DUTIES.—

(1) IN GENERAL.—Section 208(a)(3) of the District of Columbia Procurement Practices Act of 1985 (sec. 1-1182.8(a)(3), D.C. Code) is amended—

(A) by striking “and” at the end of subparagraph (E);

(B) by striking the period at the end of subparagraph (F) and inserting a semicolon; and

(C) by adding at the end the following new subparagraphs:

(G) Pursuant to a contract described in paragraph (4), provide certifications under section 602(b)(5) of title VI of the District of Columbia Revenue Act of 1939;

(H) Pursuant to a contract described in paragraph (4), audit the complete financial statement and report on the activities of the District government for such fiscal year, for the use of the Mayor under section 448(a)(4) of the District of Columbia Self-Government and Governmental Reorganization Act; and

(I) Not later than 30 days before the beginning of each fiscal year (beginning with fiscal year 1996) and in consultation with the Mayor, the Council, and the Authority, establish an annual plan for audits to be conducted under this paragraph during the fiscal year under which the Inspector General shall

report only those variances which are in an amount equal to or greater than \$1,000,000 or 1 percent of the applicable annual budget for the program in which the variance is found (whichever is lesser).’.

(2) LIMITATION ON CONTRACT WITH OUTSIDE AUDITOR.—Section 208(a) of such Act (sec. 1-1182.8(a), D.C. Code) is amended by adding at the end the following new paragraph:

“(4) The Inspector General shall enter into a contract with an auditor who is not an officer or employee of the Office to—

“(A) audit the financial statement and report described in paragraph (3)(H) for a fiscal year, except that the financial statement and report may not be audited by the same auditor (or an auditor employed by or affiliated with the same auditor) for more than 3 consecutive fiscal years; and

“(B) audit the certification described in paragraph (3)(G).’.

(3) SUBPOENA POWER.—Section 208(c) of such Act (sec. 1-1182.8(c), D.C. Code) is amended—

(A) by striking “(c)” and inserting “(c)(1)”;

(B) by adding at the end the following new paragraph:

“(2)(A) The Inspector General may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence relating to any matter under investigation by the Inspector General.

“(B) If a person refuses to obey a subpoena issued under subparagraph (A), the Inspector General may apply to the Superior Court of the District of Columbia for an order requiring that person to appear before the Inspector General to give testimony, produce evidence, or both, relating to the matter under investigation. Any failure to obey the order of the court may be punished by the Superior Court as civil contempt.”.

(4) REFERRAL OF FINDINGS OF CRIMINAL ACTIVITY TO ATTORNEY GENERAL.—Section 208 of such Act (sec. 1-1182.8, D.C. Code) is amended by adding at the end the following new subsection:

“(f) In carrying out the duties and responsibilities established under this section, the Inspector General shall report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal or District criminal law.”.

(c) REVISION OF CURRENT POWERS AND DUTIES.—

(1) LIAISON REPRESENTATIVE FOR ALL EXTERNAL AUDITS OF DISTRICT GOVERNMENT.—Section 208(a)(3)(B) of such Act (sec. 1-1182.8(a)(3)(B), D.C. Code) is amended by striking “executive branch”.

(2) APPLICATION OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.—Section 208(b) of such Act (sec. 1-1182.8(b), D.C. Code) is amended by inserting “accounting and” after “accepted”.

(3) ACCESS TO ALL NECESSARY RECORDS.—Section 208(c)(1) of such Act (sec. 1-1182.8(c), D.C. Code), as amended by subsection (b)(3), is amended by striking “relating to contracts and procurement”.

(4) SUBMISSION OF REPORTS TO AUTHORITY DURING CONTROL YEAR.—Section 208(d) of such Act (sec. 1-1182.8(d), D.C. Code) is amended—

(A) in paragraph (1), by striking “the Mayor and the Council” and inserting “the Authority (or, with respect to a fiscal year which is not a control year, the Mayor and the Council)”;

(B) in paragraph (2), by striking “the Mayor” and inserting “the Authority, the Mayor.”.

(5) MAKING REPORTS PUBLICLY AVAILABLE.—Section 208(d) of such Act (sec. 1-1182.8(d), D.C. Code) is amended by adding at the end the following new paragraph:

“(4) The Inspector General shall make each report submitted under this subsection available to the public, except to the extent that the report contains information determined by the Inspector General to be privileged.”.

(6) RESPONDING TO REQUESTS OF AUTHORITY.—Section 208(e) of such Act (sec. 1-1182.8(e), D.C. Code) is amended by striking “the Director” and inserting “the Authority”.

(d) DEFINITIONS.—Section 208 of such Act (sec. 1-1182.8, D.C. Code), as amended by subsection (b)(4), is amended by adding at the end the following new subsection:

“(g) In this section—

“(1) the term ‘Authority’ means the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995;

“(2) the term ‘control year’ has the meaning given such term under section 305(4) of such Act; and

“(3) the term ‘District government’ has the meaning given such term under section 305(5) of such Act.”.

(e) DEADLINE FOR APPOINTMENT.—

(1) IN GENERAL.—Not later than 30 days after its members are appointed, the Authority shall appoint the Inspector General of the District of Columbia pursuant to section 208(a)(1) of the District of Columbia Procurement Practices Act of 1985 (as amended by subsection (a)).

(2) TRANSITION RULE.—The term of service of the individual serving as the Inspector General under section 208(a) of the District of Columbia Procurement Practices Act of 1985 prior to the appointment of the Inspector General by the Authority under section 208(a)(1) of such Act (as amended by subsection (a)) shall expire upon the appointment of the Inspector General by the Authority.

SEC. 304. COUNCIL APPROVAL OF CERTAIN CONTRACTS.

(a) IN GENERAL.—Section 451 of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1-1130, D.C. Code) is amended—

(1) by amending the heading to read as follows: “SPECIAL RULES REGARDING CERTAIN CONTRACTS”;

(2) by striking “No contract” and inserting “(a) CONTRACTS EXTENDING BEYOND ONE YEAR.—No contract”;

(3) by adding at the end the following new subsection:

“(b) CONTRACTS EXCEEDING CERTAIN AMOUNT.—

“(1) IN GENERAL.—No contract involving expenditures in excess of \$1,000,000 during a 12-month period may be made unless the Mayor submits the contract to the Council for its approval and the Council approves the contract (in accordance with criteria established by act of the Council).

“(2) DEEMED APPROVAL.—For purposes of paragraph (1), the Council shall be deemed to approve a contract if—

“(A) during the 10-day period beginning on the date the Mayor submits the contract to the Council, no member of the Council introduces a resolution approving or disapproving the contract; or

“(B) during the 45-calendar day period beginning on the date the Mayor submits the contract to the Council, the Council does not disapprove the contract.”.

(b) CLERICAL AMENDMENT.—The table of contents of the District of Columbia Self-Government and Governmental Reorganization Act is amended by amending the item relating to section 451 to read as follows:

“Sec. 451. Special rules regarding certain contracts.”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to contracts made on or after the date of the enactment of this Act.

SEC. 305. DEFINITIONS.

In this Act, the following definitions apply:

(1) The term "Authority" means the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a).

(2) The term "Council" means the Council of the District of Columbia.

(3) The term "control period" has the meaning given such term in section 209.

(4) The term "control year" means any fiscal year for which a financial plan and budget approved by the Authority under section 202(b) is in effect, and includes fiscal year 1996.

(5) The term "District government" means the government of the District of Columbia, including any department, agency or instrumentality of the government of the District of Columbia; any independent agency of the District of Columbia established under part F of title IV of the District of Columbia Self-Government and Governmental Reorganization Act or any other agency, board, or commission established by the Mayor or the Council; the courts of the District of Columbia; the Council of the District of Columbia; and any other agency, public authority, or public benefit corporation which has the authority to receive monies directly or indirectly from the District of Columbia (other than monies received from the sale of goods, the provision of services, or the loaning of funds to the District of Columbia), except that such term does not include the Authority.

(6) The term "financial plan and budget" means a financial plan and budget described in subtitle A of title II, and includes the budgets of the District government for the fiscal years which are subject to the financial plan and budget (as described in section 201(b)).

(7) The term "Mayor" means the Mayor of the District of Columbia.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Pursuant to the rule, the gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 20 minutes, and the gentlewoman from Illinois [Mrs. COLLINS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Speaker, I yield myself such time as I may consume.

(Mr. CLINGER asked and was given permission to revise and extend his remarks.)

Mr. CLINGER. Mr. Speaker, as I stated the day the Government Reform and Oversight Committee favorably reported this bill, I believe the district of Columbia will today move one step closer to self-sufficiency, to financial independence, perhaps even to true home rule. The District government is bankrupt. In about 1 month, the city government will not have the money to pay the bills that await. The legislation we are about to pass is designed to reverse that crisis and put the residents of the District and their government back on sound financial track.

While I want the D.C. Subcommittee Chairman, TOM DAVIS, to summarize this legislation, I want to remind my colleagues that while other solutions to the District's problems were avail-

able, none of them provide the appropriate answers at this time.

Some have called for a cash bailout—a solution that is simply unacceptable to this Member of Congress and I suspect a majority of my colleagues. It is quite obvious that without meaningful government reform and strong fiscal discipline, there is absolutely no evidence that a large infusion of cash would permanently relieve the underlying causes of the District's current budget crisis.

At the other end of the spectrum, some have called for the District to be placed into receivership—in effect, the total elimination of home rule. While that step is not an option today, nobody should doubt the resolve of this body to take any steps necessary if District government officials do not cooperate with the financial control board established by this legislation. We anticipate that this cooperation will be forthcoming and that home rule will prevail.

Make no mistake, however, pain and suffering is inevitable for the District to bring back its financial health. The day of reckoning has arrived.

Some have questioned the need for a control board in the first place and the appropriateness of Congress, which seems incapable of balancing our own budget, forcing the District to balance its budget in the second. To that I say I agree that we in Congress need an outside discipline to force us to act responsibly just as much or more than the District does.

Just as I believe a balanced budget amendment would have made it easier for Congress to say no to otherwise meritorious proposals, I also believe the existence of the control board and its threat of a hammer will make it easier for the mayor and the council to make the kind of tough decisions that are going to be necessary. It is my fervent hope that those decisions will in fact be made by the mayor and council and that it will not be necessary for the control board to be relevant.

Last, I want to express my personal appreciation to the Members and staff responsible for bringing this bill to the floor. TOM DAVIS and ELEANOR HOLMES NORTON have worked as an effective team to help solve the District's problems and bring economic vigor and vitality to the entire Washington region. I also thank those staff who worked tirelessly in drafting this bill and the committee report.

I encourage each Member of the House to support this fine legislation.

Mr. Speaker, I reserve the balance of my time.

Mrs. COLLINS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

(Mrs. COLLINS of Illinois asked and was given permission to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Speaker, I wish to congratulate and commend the D.C. Subcommittee's ranking member, ELEANOR HOLMES NORTON, and

the Subcommittee's Chair, TOM DAVIS, for the fine work that they did on this legislation which is so sorely needed. They put in many long arduous hours to produce this legislation. It took some tough negotiations, but they delivered the bill in time to meet the critical need for congressional action before the April recess. I would be remiss if I did not commend Chairman CLINGER for insisting that the committee reach a bipartisan solution to the needs of the District. That effort is evidenced by the 45-to-0 vote to report it to the House.

As we can all see, H.R. 1345 is a complex bill which attempts to carefully balance the interests of the District and Federal governments. The bill provides the District with desperately needed relief from the extreme financial crisis confronting it and yet it does so in a way that keeps the Congress out of the day-to-day internal affairs of the District government, while assuring the continued delivery of essential services to local residents, Federal agencies, and the many millions of visitors who come to the Nation's Capital each year.

I am pleased that this bill won the unanimous support of the Members serving on our committee, and that it enjoys the broad bipartisan support of so many others. This should ensure that it receives the favorable consideration it deserves. However, I find little delight in what we do here today, because the District's long-standing pursuit of complete self-governance has been set back.

While I recognize that the current fiscal crisis makes the action we take today inevitable, I am determined to ensure that this setback for the District is a temporary one, and I plan to work closely with Chairmen CLINGER and DAVIS, and Delegate NORTON, to take the steps necessary to restore the District's financial health and quickly bring an end to this new authority.

Back in November 1993, this body considered the New Columbia Admission Act, a bill which I cosponsored and strongly supported. That bill provided for D.C. statehood. I strongly believe that its enactment still represents the best action Congress could take to help the District of Columbia. Statehood would give District residents full democratic rights, and give the District government the freedom to manage its own financial affairs, without the restraints imposed by Congress.

In my view, the financial problems of the District of Columbia are grounded in more than declining revenues and management difficulties. They are attributable, to a significant extent, to the extraordinary burdens the Congress placed on the District when it was granted limited Home Rule over 20 years ago, by giving the District the responsibility for numerous functions normally performed by States such as: operating a State court system and prison system; providing mental health, foster care, and adoption services; and bearing the cost of Medicaid and AFDC benefits; to name just a few. At the same time, the Home Rule Charter did not confer State authority. The district's ability to pay for these State

functions was limited by a congressionally imposed ban on taxing nonresident income earned within its borders as other states and many other cities do.

The District leads the Nation in the percentage of income earned in the city by nonresidents. Two of every three dollars earned here are earned by a nonresident. If nonresidents were subject to a flat rate of only 2 percent, the District could raise about \$370 million per year. In fact, more than 22,000 of the District government's own employees enjoy life in the suburbs on an income drawn from the city treasury. The District government estimates it could raise \$50 million annually by taxing their income. These Catch-22 circumstances are patently unfair and have substantially contributed to the economic distress. They have got to change, and I hope they will soon.

There is also the burden of the unfunded pension liability which must be addressed. In 1979, Congress transferred \$2 billion of liability for a pension system it established for police, firefighters, and teachers at a time when District employees were considered Federal employees. Now, largely due to interest, the liability has grown to almost \$5 billion. The District contributes about \$300 million a year toward this pension system's cost, while the Federal Government contributes only \$52 million. The Federal Government is not paying its fair share, while each year the spiraling costs consume more and more of the District's limited revenues.

I am pleased that Members on both sides of the aisle acknowledge that the unfunded pension liability is a problem for which the Federal Government bears some responsibility, and that the D.C. Subcommittee's chair is committed to taking action on this matter during the 104th Congress.

The District's financial stability is also encumbered by the fact that only 43 percent of its real property can be taxed. The rest, 57 percent, is owned by the Federal Government, foreign governments, the District government, or tax exempt entities. With respect to this latter group, I note that the D.C. Council and even some Members are now questioning the propriety of continuing such tax breaks, given the current crisis.

Finally, it is absolutely essential that everyone recognize that the financial crisis confronting the District of Columbia is not a unique one. The hearings which the D.C. Subcommittee held on this matter demonstrated that several other major American cities have reached the brink of insolvency before. In most of those cases, financial control or oversight boards were established by the State legislatures and the boards worked cooperatively with city officials to successfully stabilize each situation. I have no doubt that this will happen here.

The District of Columbia lies in the heart of a metropolitan area that ranks first among the 15 largest metropolitan areas on several desirable income, educational, and employment indices. It ranks at the top in: per capita income; individuals completing more than 16 years of school; and employ-

ment in professional, managerial, and technical jobs. It has the lowest rate of unemployment. So clearly, the District is a city rich with talent. The District is a city with resources. The District is a city with a future. It will be back on its feet soon.

Mr. Speaker, I yield the remainder of my time to the gentleman from the District of Columbia [Ms. NORTON], who has worked so hard in this instance, and I ask unanimous consent that she be allowed to yield that time in such way as she sees fit.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CLINGER. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. BLILEY], the chairman of the Committee on Commerce and a very active member who has been involved in the District's affairs for many, many years.

(Mr. BLILEY asked and was given permission to revise and extend his remarks.)

Mr. BLILEY. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise today in strong support of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

The District of Columbia has testified under oath that it expects to run out of money by early May.

Under present law the District is entitled to draw on the U.S. Treasury to pay its bill. This bill places necessary fiscal conditions on any borrowing in accordance with the findings and purposes as stated in the act.

The authority in this bill is the strongest ever created for any U.S. city. It will finally place necessary controls on District spending. The authority will require an accurate, annual balanced budget and a 4-year financial plan. It will have enforcement power.

In the past I worked closely with Delegate NORTON to ensure the financial stability of the District of Columbia. We worked to increase the Federal payment, and we worked to ensure the District would be able to manage itself. Sadly, this has not occurred.

This legislation does not abolish home rule, rather during the control period certain fiscal functions of the District will be supplanted by the Board. By stabilizing the District's finances, the city will emerge in a stronger position that it is today.

Without this bill city workers, residents, businesses, and visitors will continue to live under a cloud of fiscal uncertainty which is present and growing.

The dollar-for-dollar reductions for overspending in last year's budget resolution must be lifted now so that the Treasury will be able to lend through the Authority. The annual Federal payment will serve as the collateral.

The Financial Control Authority created in this bill will control District fi-

nance until the city balances four budgets in a row and has repaid any money borrowed with the Authority's cooperation.

The Authority will have five members, appointed by the President after congressional consultation. These members will serve without salaries for 3 years, and they must be District residents.

As soon as this bill is enacted, they must submit a 5-year financial recovery plan to the Authority as soon as practicable.

The Authority will have to review this plan, adopt it or submit modifications to the city council. If the city council proposes modifications which meet with the disapproval of the Authority, it may then submit its own proposal to Congress for consideration.

This plan ensures that all affected parties, the people, the council, the Mayor, the Authority, and the Congress will have their voices heard to ensure our Nation's Capital gets on sounder financial footing.

I commend Representative DAVIS and Delegate NORTON for reaching consensus on this very important initiative, and urge its adoption by the House.

Mr. CLINGER. Mr. Speaker, I yield the balance of my time to the gentleman from Virginia [Mr. DAVIS], the prime author of this legislation, and I ask unanimous consent that he may be permitted to control the balance of the time remaining on the majority side.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DAVIS. Mr. Speaker, I yield myself such time as I may require.

(Mr. DAVIS asked and was given permission to revise and extend his remarks.)

Mr. DAVIS. Mr. Speaker, this emergency legislation is the cornerstone of our Nation's response to the tragic and completely unacceptable financial condition of our Nation's Capital. Life in Washington, DC, is coming apart at the seams. This legislation will halt the decay of the city government's ability to provide basic municipal services to the residents of the District and begin the difficult but necessary process of making the common life of the city whole once again. It is critical not only for this region and for those who live here, but for those who visit here as well.

As chairman of the Subcommittee on the District of Columbia of the Government Reform and Oversight Committee, I rise as the principal sponsor of the District of Columbia Financial Responsibility and Management Assistance Act of 1995. It would not have been possible for this piece of emergency legislation to be here before the House so early in the session without the active cooperation and hard work of many Members and their staffs.

Mr. Speaker, I want to thank on the staff side the GAO staff. I would like to thank John Simmons of Congressman

WALSH's staff, Migo McConey from the Appropriations staff, Cheryl Smith, also of the Appropriations staff, and Brian Seward, as well as Donna Brazile and Cedric Hendricks from the District of Columbia Subcommittee staff, Ron Hamm, our director, Ellen Brown, Howie Dennis, Roland Gunn, who put in numerous hours on this effort, Al Felzenberg, and Ann Mack, Tim Leeth and Kevin Sabo from the Senate staff, and Jim Clarke from the full committee staff.

I also want to express my deep gratitude to the House leadership and to Chairman CLINGER, as well as the gentlewoman from Illinois, Mrs. CARDISS COLLINS, for their willingness to provide the necessary advice and assistance to move this bill forward.

I also want to thank our colleague from the District of Columbia, the gentlewoman from the District of Columbia [Ms. NORTON], who is a true leader and without whose efforts and advice this bill would not be here today. She has shown her leadership once again on this bill, and I look forward to working with her in the future on many other issues concerning the District. And I would say to Congressman WALSH and the gentleman from California, Mr. DIXON, of the District of Columbia Appropriations Subcommittee that their efforts in this regard and their ability to work together as a team have brought this legislation here today, and I thank them for their efforts.

Without their constant personal attention throughout a seemingly endless series of negotiations, we would not be nearly so far along in our response to the problems of the District. I also want to thank the members of the subcommittee, especially my vice-chair, Mr. GUTKNECHT, for their willingness to hold hearings on short notice and to move this legislation on an exceptionally fast tract. But, above all, I am grateful for the willingness of all of the Members involved in this process to reach across party and ideological lines for the good of the entire Nation. This effort has been extraordinary and inspirational. Finally, none of this would have been possible without the long, hard hours of work by the personal and committee staff who have devoted themselves to working out the details of this complex bill. They are all deeply aware of the urgency of the crisis facing the District of Columbia.

The current crisis stems from the unwillingness of the political leadership of the city and of past Congresses to make the hard but necessary decisions to keep the District's spending in line with its income. The result of this policy is not surprising: the District of Columbia is insolvent. If the city were to begin to write the checks necessary to pay all its current bills, it would run out of cash long before it came to the bottom of its stack of bills. The dire condition of the city's finances spills over to and harms the entire region. Currently, the city is not able to make its payments to regional authorities

like Metro and Council of Governments. Without the city paying its full share, these vital regional organizations will not be able to carry out their important missions. One of the things this bill seeks to accomplish is the orderly payment of these obligations. Piled up, unpaid bills force many small businesses all across the region to lay off workers, or in some cases, to fail. Thus the whole region suffers as long as the city is broke. The time to act is now.

The city's insolvency is not the result of an unanticipated natural disaster. It is not the result of an inadequate revenue stream. In fact, for a city its size, it has more than adequate revenue to fund the full range of services needed by its citizens. But, beginning with the collapse of real estate values in 1989 and continuing even as I speak, the city simply spends more money than it collects. The District of Columbia's government continues to try to fund everything it wants while neglecting to adequately fund what it truly needs as a municipal government. Much of the money it spends, it does not spend wisely. According to a recent study by Thomas Edmonds and Raymond Keating, during the 1991-92 school year the District spent more per pupil on primary and secondary education than any State in our Nation. Yet, we read in the local press that there are over 8,000 fire code violations in the schools in need of repair. This is but one of many instances of local political decisions that have unintended but completely unacceptable consequences for the city's least powerful and most vulnerable residents.

It would be all too easy for me to place all the blame for the unraveling of the city on poor decisions made by Washington's local political leaders. But, this would be neither an accurate nor a responsible course for me to take. Our Constitution clearly gives Congress the responsibility "to exercise exclusive Legislation in all Cases whatsoever," in the seat of the national government. Congress has not always used this power wisely. There has been an understandable reluctance to interfere with local political decisions. This reluctance, has perhaps, at times slipped over into failure to provide proper oversight. There has been a spirit of generosity that gave the District government access to \$1.277 billion more cash during the Kelly administration than previously scheduled payments dictated. This generosity became indulgence. The result of inadequate congressional oversight is not acceptable. We see before us today a broken city. We cannot continue these policies. We must carry out our oversight responsibilities in a more responsible and effective way. The bill before us this afternoon provides us with the appropriate vehicle to meet our responsibility.

H.R. 1345 is designed to provide the strong medicine necessary to heal our beloved but battered Capital City. It

establishes the strongest financial oversight authority in our Nation's history. We have looked with great care at what other cities facing similar crises have done to solve their problems. We have studied what has worked well and what has failed. We think we have applied these lessons to the unique and special facts of Washington, DC. We have carefully crafted our nation's response to this crisis. The most important thing we have learned is that no city has been able to solve its problems alone. In the case of other cities, State governments have stepped in to provide assistance. In this respect, Washington, DC, is unique. It has no State to turn to for assistance. The entire American people, acting as a collective body through their elected Representatives in Congress, constitute Washington, DC's state.

I am not going to present a complete outline of this 145-page legislation. I want to focus on its essential features. The central feature of this legislation is the establishment of the District of Columbia Financial Responsibility and Management Assistance Authority to assist our Nation's Capital on its way back to financial soundness. The purpose of the Authority is to help the city knit itself back together. It is designed to work with Congress and the local government without being a component part of either government. I expect it will make many recommendations both to Congress and the city about necessary changes in the management of the city and the role of the Federal Government in the city's life. The Authority is composed of five Presidential appointees who are stakeholders in the city. The President will make these selections after consultation with the relevant committee chairs and the Delegate from the District. The Authority will be assisted by a small professional staff.

The Authority has all the power to accomplish its mission of financial responsibility and management assistance. In dealing with the local government, the initiative generally belongs to local elected leaders. For example, the Mayor still submits his budget the city council. But, it is submitted to the Authority as well. The Authority, as well as the city council, examine the budget critically. If the Authority decides the proposed budget is neither balanced or in not accordance with the city's long-term plan, the Authority cannot approve the budget. It is returned with the Authority's recommendations to the council. After this process works itself out, Congress receives either an Authority-approved budget or the final council-approved budget along with the Authority's comments. Congress retains its responsibility to give final approval to the city's budget.

In addition to the creation of the Authority, this legislation creates a permanent, statutory chief financial officer for the District of Columbia. The

CFO is appointed by the Mayor, in consultation with the city council, and the approval of the Authority. The CFO is responsible for assembling accurate financial information to serve as the foundation of the city's budgetary and spending decisions. The CFO also must certify all bills and contracts, assess and collect all taxes, and provide accurate accounting. This office reports to the Mayor, the council, and the Authority.

The creation of the Authority and of a CFO provides only part of the administrative framework necessary to assist the city back to financial health. The final structural change is the enhancement of the Office of the Inspector General. The IG, like the CFO, is appointed by the Mayor in consultation with the city council and the approval of the Authority. We have taken special care to make sure the IG has the political independence and financial resources to act as a strong watchdog over the city government. In addition to a fixed 6-year term, the budget of the IG can only be changed by Congress. In order to assure the timely dissemination of information, the IG's reports become public documents in a timely manner. The IG reports not only to the Mayor, but also to the council and the Authority. The IG is also responsible for letting the contract for an annual, independent audit of the city's finances.

The Authority, the CFO, and the enhanced IG form the nucleus of a more efficient, responsible, and responsive city government. It provides the city with an ideal opportunity to examine critically the range and level of services it seeks to provide. The locally elected leaders of the city need to decide what they can realistically afford to fund. I hope the enactment of this legislation provides the occasion for a dramatic restructuring of the local government. After the District has begun to make the hard choices necessary to bring their spending in line with their revenue, the question of the proper relationship between the city and the Federal Government will be addressed.

This legislation is not punitive. It is the strong medicine needed to bring the city back to financial health. One of the effects of this legislation will be the restoration of the city's access to the credit markets. This is important for the enhancement of home rule. I hope that the Authority and the city working together with the Congress will, sooner rather than later, be holding groundbreaking ceremonies for the new arena and convention center. These projects will enhance the quality of life not only in the District but throughout the entire region.

We stand at a critical moment in the life of our Nation's Capital. We can no longer afford the price of congressional inaction. The District will soon run out of cash. Under present law, the Mayor can requisition cash from the Federal Treasury. If we fail to act, Mayor

Barry will be forced to take the District's bills to the Treasury Department without conditions or restrictions. We must not allow this to happen. If we enact this legislation, when the city runs out of cash, Congress will have put the proper structure in place to regulate and facilitate its access to the Treasury window. There are no viable alternatives. We are in effect pulling the District's credit card to the U.S. Treasury and setting conditions for borrowing that can lead to economic recovery. The present crisis is a direct consequence of destructive fiscal policies. This bill represents fundamental change. I urge you to vote in favor of H.R. 1345.

Mr. Speaker, I reserve the balance of my time.

□ 1515

Ms. NORTON. Mr. Speaker, I yield myself such time as I may consume.

(Ms. NORTON asked and was given permission to revise and extend her remarks.)

Ms. NORTON. Mr. Speaker, thanks to Chairman BILL CLINGER, ranking Member CARLIS COLLINS, and subcommittee Chairman TOM DAVIS, we are seeing a rare moment in any Congress, and certainly in this one. A very difficult bill has been crafted and then unanimously embraced in subcommittee and committee because of their leadership. Yet, H.R. 1345 has no precedent in this House. It has substantial precedent in this country, of course. New York City, Philadelphia, and Cleveland, among other jurisdictions, became insolvent and have had similar authorities or boards established to guide them back to fiscal health. To those inclined to harshly judge the District, the self-same ordeals of these great American cities should give some pause. And, unlike those cities, the District has had to fund not only municipal but also State and county functions as well, among them today's daunting costs of Medicaid and prisons. Before long, the Congress will have to face the reality that no American city today can fund these State and county missions alone and that the District will need more funds from the Congress. Such huge cost, as well as the congressionally imposed unfunded pension liability, in today's atmosphere of urban distress, have simply overwhelmed the city.

Chairman CLINGER and ranking Member COLLINS were executive producers of this effort, setting the tone, steering the course, insisting upon flexibility, yet drawing the bright lines to achieve an effective bill. Subcommittee Chairman TOM DAVIS was the producer. He worked closely with D.C. Appropriations Subcommittee Chairman JIM WALSH, whose strong and skillful leadership is also reflected throughout the bill.

Chairman DAVIS has given the world "freshman" new respect for the extraordinary reach of his vision for the bill and the determined skill with which he carried his vision to fruition. Setting for himself the expansive goal

of a consensus bill, Chairman DAVIS first wrote H.R. 1345 simultaneously with majority Members in the House and the Senate. Onto this bicameralism, he superimposed bipartisanship, inviting ranking Members to suggest and negotiate changes. Representative JULIAN DIXON, the ranking member of the D.C. Appropriations Subcommittee, was an indispensable party to this bill, bringing unmatched depth, intelligence, and objectivity. Some of our changes were rejected and others compromised, but many were accepted.

The process that Chairman DAVIS developed is what has enabled me to cosponsor H.R. 1345 and to urge my colleagues to vote today for passage. Like all bills that come to the floor, it is the majority's bill, but it has accommodated many changes and compromises not only from me but from the Mayor and the chairman and members of the city council of my city. Thus, this bill is quite literally a collaboration among all directly concerned: The chairs and ranking members of the authorizing and appropriations committees and subcommittees of the House and Senate and the elected representatives of the District of Columbia.

Section upon section of the bill vindicate both the process and the substance of H.R. 1345. Many of the changes are modifications and nuances that only locally elected officials and others who live with the District's problems could recognize. By accepting changes that reflect the experience of governing and living in the District, Chairman DAVIS and his colleagues have gone a long way toward assuring that H.R. 1345 is able to do its job.

Two urgent reasons make this bill not only mandatory but also the only viable option available: First, without the authority established in this bill, the District, already technically insolvent, will run out of cash sufficient to pay its employees and keep services in operation within the next few weeks; second, without the authority established in this bill, the District will bear a destructive penalty for being in violation of existing law that requires a balanced budget, a mandate that cannot possibly be met without spreading the city's huge structural deficit over several years.

However, I am able to cosponsor H.R. 1345, not only because of its urgent necessity. I am a cosponsor of this bill because it does not violate the other essential and overriding principle—the right of District residents to maintain every bit of what limited home rule powers we have managed to achieve. Our democratic right to self-government is more precious to us than to other Americans quite simply because they, all of them, including the four territories, have it, and we don't. For this reason, I have measured self-government by the strictest standard I could locate: whether the provisions of H.R. 1345 are any more intrusive than those of the other similarly situated

jurisdictions. This is the best standard because no one has suggested that with the establishment of similar authorities, New York, Philadelphia, or Cleveland lost their dignity or independence. Anyone who takes the time and trouble to compare H.R. 1345 with prior State statutes, especially New York's law, as I did throughout the negotiations, will find the self-government standard fully met.

The Mayor and the city council retain their respective powers. The initiative in all matters committed to them under the home rule charter remains theirs alone. This is important not only to preserve democracy. It is important because the point of this effort is to encourage elected leaders to take responsibility so that when the authority recedes, their necessary discipline is fully built into the way they conduct the city's business. Thus, the authority is a monitor whose purpose is to check and enforce new rules of fiscal and operational discipline that the Mayor and the council place upon themselves in multiyear plans and annual budgets that these elected officials themselves will write.

I have no doubt that the District will take the initiative to solve its own problems, just as our elected officials have helped make H.R. 1345 a better bill. This morning before this matter had even come to the floor, at the invitation of the Mayor, I went to his cabinet meeting to discuss H.R. 1345 and what it means for District officials. Further, today the Mayor has announced a nationwide search for a chief financial officer, who will be a central figure in the District's financial recovery.

I take special pride in these early initiatives by the Mayor to make H.R. 1345 work and in the recent rough and tough actions of the city council, who even without the monitoring authority, have made courageous cuts and taken their lumps for their trouble.

I take particular comfort from Members of the House, who have uniformly expressed respect and admiration for what authorities like that established in H.R. 1345 have done, working with local officials, in their own cities. Expect no less from the District.

Notwithstanding this crisis, the District remains one of the most promising large cities in the United States. Among the 25 largest cities, we proudly rank first per capita in residents in the Nation's top job categories, third per capita in residents with college and post-college degrees, and fifth per capita in income. In the midst of this crisis, our business community is using its own private resources to build an arena and a convention center which will bring many millions in revenue to the District. This is the raw material for a dazzling comeback.

Just beyond the horizon, the Capital of the United States is a city with a future. But, it is more than that. It is such livable city that more Members of the House and Senate have chosen to

live here than in any part of the region. It is city of world class beauty. The District's problems must not be allowed to obscure its potential. With help from the Congress, but under its own initiative and by its own hand, this shall soon be a city on the rise like the sun on a clear morning.

□ 1530

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS. Mr. Speaker, may I inquire of the Chair how much time remains on both sides?

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from Virginia [Mr. DAVIS] has 3 minutes remaining, and the gentlewoman from the District of Columbia [Ms. NORTON] has 7 minutes remaining.

Mr. DAVIS. Mr. Speaker, I ask unanimous consent that both sides be given an additional 5 minutes.

Ms. NORTON. Mr. Speaker, I join in the request of the gentleman.

The SPEAKER pro tempore. Without objection, each side will have an additional 5 minutes.

There was no objection.

Mr. DAVIS. Mr. Speaker, I yield 4 minutes and 30 seconds to the gentleman from New York [Mr. WALSH], the chairman of the Appropriations Subcommittee, who has done so much to help bring this bill to its final stages. We appreciate his efforts.

(Mr. WALSH asked and was given permission to revise and extend his remarks.)

Mr. WALSH. Mr. Speaker, I thank the gentleman for yielding time to me and I thank him for his hard work on a very vigorous project, one sorely in need.

Mr. Speaker, I rise in strong support of H.R. 1345. I think this is a good bill. It is the culmination of many hours and long days of discussions and negotiations. It is a nonpartisan issue. Every one on both sides of the aisle in this body as well as the other body and the White House has worked diligently with one objective in mind, to do what is best for our Nation's Capital.

This bill will establish a financial responsibility and management assistance authority, a control board, consisting of five members to be appointed by the President in consultation with the Congress within 25 days of its enactment.

Results of our hearings indicate that the District's financial management and information systems are inadequate to provide the data that is essential for the efficient operation of the District government. H.R. 1345 establishes a chief financial officer of the District of Columbia who will be appointed by the Mayor and subject to the approval by a majority of the vote of the authority and removed only with authority approval.

The CFO will be responsible for all financial activities of the District government, from revenue estimates and cash receipts to expenditures and cash disbursements. So this is going to be a

very important position, in my judgment, the most important position. Because the position is so important, this person must have as much independence to carry out the mission of getting local government back on track financially.

Another position that is key to the success of the authority is an inspector general who also must be truly independent to pursue investigations that will lead to the prevention and detection of fraud and abuse.

We in the Congress must continue our vigilance to ensure the independence of both of these offices.

Mr. Speaker, I want to touch on what I consider to be the crucial issue of the authority. In the event that there is a stalemate, an impasse between the authority and city government, the bill allows the authority to implement its own recommendations, whether they be executive or legislative in nature. This power is absolute and it is absolutely necessary if the authority is to be effective and have the desired impact on the efficient operation of District government.

This authority needs to have control. It is our intention that it have control. In my opinion, the bill before you is drafted so that the authority will have control, the control it needs to get the District government back on a sound financial footing.

We felt very strongly this had to be a tough bill, tough love for our Nation's Capital. This bill meets that standard.

Lastly, Mr. Speaker, the gentleman from Virginia [Mr. DAVIS] talked about the ability of the District to go to the Treasury to borrow. That authority continues under this new regime. And that is important because the individual, the organizations that have loaned money to the District, their interests need to be protected, along with the interests of the District. That will continue under this law and, in fact, ensure that if the District does go back to Treasury and borrow, that the money will go directly to the control board and will be disbursed under their authority.

Finally, I believe, Mr. Speaker, that sufficient safeguards are in place to protect the Federal taxpayer, all Americans who send their tax dollars to support the city.

This is not a partisan bill. The people who really put this together, the gentleman from Virginia [Mr. DAVIS], the gentlewoman from the District of Columbia [Ms. NORTON], did a marvelous job, a truly marvelous job negotiating this. The gentleman from California [Mr. DIXON], former chairman in the seat that I now sit in, lent his toughness and his wisdom to this product. I thank him and I also thank from my staff John Simmons and Migo Miconi who worked so hard to support my activities.

Ms. NORTON. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. DIXON], the ranking minority

member of the Subcommittee on the District of Columbia of the Committee on Appropriations and an unusually wise and knowledgeable and essential partner in the negotiations that led to H.R. 1345.

(Mr. DIXON asked and was given permission to revise and extend his remarks.)

Mr. DIXON. Mr. Speaker, I thank the gentlewoman for her kind remarks and for yielding time to me.

Mr. Speaker, as the ranking minority member of the Committee on Appropriations Subcommittee on the District of Columbia, I rise in support of H.R. 1345, the District of Columbia Financial Responsibility and Management Assistance Act of 1995. We consider this bill at a critical moment in the short history of self-government for the District of Columbia.

The District of Columbia is in a financial crisis that it cannot solve on its own. Like other major cities across the country, the District of Columbia is not alone in feeling the multiple pressures of a dwindling tax base and increasing social service costs. The District, however, carries the additional burden of being the only governmental entity with responsibilities traditionally implemented by State and county, as well as city, governments.

Over the past few months, we have received convincing and mounting evidence that the District of Columbia is nearing a financial collapse. The Mayor has reported to us that the District has a fiscal year 1995 budget gap of \$631 million and a precarious cash position. Although the Mayor has proposed to reduce this budget gap by \$224 million through reduced agency spending and other initiatives, these actions alone are not sufficient to close a gap which amounts to nearly 20 percent of the District's annual appropriated budget. The General Accounting Office has reported to us that the District will run out of cash this summer and that the city currently does not have enough cash to pay its bills.

In recent years, other cities, including Philadelphia, New York City, and Yonkers, have confronted financial insolvency requiring emergency assistance from their States. But, the District is unable to turn to a State government to provide such extraordinary assistance; the District can turn only to the Federal Treasury and to the Congress for help.

Mr. Speaker, in the process of considering the District's financial crisis, we have tried hard to separate the rhetoric from reality. With the excellent assistance of the General Accounting Office, we have tried to separate fact from fiction. And, while we may disagree with the Mayor about whether the District has too little revenue, too much spending, or simply inefficient management of its resources, I believe that there is no disagreement that the problem is real. The hard reality is that a remedy must be provided before the District becomes insolvent, and the

bill before us provides the necessary cure.

H.R. 1345 is not a perfect bill, nor do I agree with all of its provisions. But, I do agree with the bill's fundamental purposes: First, to assist the District in getting immediate control over its deficit spending and, second, to provide for the long-term fiscal stability of the District by providing a comprehensive approach to the fiscal, management, and structural problems in the District Government. This bill provides a speedy recovery to D.C. financial health while preserving home rule for its citizens.

H.R. 1345 has many important provisions. It will enable the city to borrow from the U.S. Treasury to meet its short-term, emergency cash needs, but only with stringent controls that will impose a rigorous fiscal discipline on the city that has not existed before.

The bill creates the strongest Financial Oversight Board ever created for any U.S. city. A five-member authority, appointed by the President with congressional consultation, will have extensive latitude in monitoring and overseeing the District's financial affairs until such time that it has balanced its budget for 4 consecutive years and repaid any funds borrowed on its behalf. Most important, the authority will be comprised of individuals who pay either personal income or business taxes to the District and, thus, have a real stake in the District's future.

During any control period, the authority will make recommendations to the District to promote financial stability and improve the delivery of city services, including reviewing the structural relationship between the District government and the Federal Government. The authority must approve a multi-year financial plan developed by the District aimed at achieving a truly balanced budget by 1999. The authority may reject the city's annual budget, disapprove contracts, and disapprove District borrowing if not consistent with the financial plan and annual budget.

The bill enhances the powers of the District's chief financial officer and inspector general to ensure the integrity and accuracy of financial information presented by the District, and to improve the quality of the city's financial management systems. Because of the significant powers that will reside with these individuals, a difficult issue to resolve in our negotiations was how these individuals should be appointed. The consensus that emerged from our discussions was that both officers would be nominated by the Mayor with the advice and consent of the city council, but subject to confirmation by the authority. Further, only the authority would be permitted to dismiss these key officials.

Mr. Speaker, by granting the authority such broad powers, some may argue that this bill strips away home rule. But, I would argue that the bill carefully protects the prerogative of self-government and that preservation of home rule rests squarely on the shoulders of the District's elected officials. Only if District officials do not make responsible and fiscally sound decisions, will it be necessary for the authority to step in to implement its own recommendations.

This bill is the product of intense negotiations conducted over the past few weeks. Although these discussions have been difficult, all parties involved have acted in good faith with a common goal

of restoring the District of Columbia to sound financial health.

I want to applaud the efforts of the manager of the bill, the distinguished chairman of the Government Reform and Oversight Subcommittee on the District of Columbia, the gentleman from Virginia, TOM DAVIS, who worked tirelessly to bring together a consensus bill in time for the House and Senate to act prior to the April recess.

I also want to pay tribute to the delegate from the District of Columbia, ELLEANOR HOLMES NORTON, for her tenacious efforts to preserve the principle of home rule for D.C. residents. She has fought courageously to preserve the rights of locally elected officials to determine the city's financial future, while she led the fight for an agreement that recognizes the seriousness of the District's financial crisis.

My good friend, the gentleman from New York, [Mr. WALSH], the distinguished chairman of the Committee on Appropriations Subcommittee on District of Columbia, also played a critical role in shaping this legislation. I look forward to our continued mutual cooperation as we move later in the year to consider the District's fiscal year 1996 budget. And to the staff, thank you for your excellent work.

With the enactment of this bill, we have a wonderful opportunity for a unique partnership between the District and Federal Government to reinvent and improve the delivery of services to the thousands of District residents who pay hard earned tax dollars and to those local residents who are not getting the quality education, housing, and social services they need and deserve. The road to financial recovery for the District will not be smooth. There may be setbacks and relapses along the way. But, the surgery which the city must undergo—the hard choices, tough decisions, and real actions that have to be taken—will restore the well being of the District and its residents and, ultimately, provide the foundation for a real and lasting recovery for years to come.

Mr. Speaker, I urge adoption of the bill.

□ 1545

Mr. DAVIS. Mr. Speaker, I yield 1 minute and 15 seconds to my colleague, the gentleman from New York [Mr. GILMAN].

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I rise today in support of H.R. 1345, the District of Columbia Financial Responsibility and Management Act of 1995. I commend the distinguished gentleman from Virginia [Mr. DAVIS], District of Columbia Subcommittee chairman, and the ranking minority member of the District of Columbia Subcommittee, Ms. NORTON, for the work which they and their staffs have accomplished under severe time constraints. I also wish to commend the gentleman from Pennsylvania [Mr. CLINGER], who serves as the distinguished chairman of our Committee on Government Reform and Oversight, for his efforts in bringing this important measure to the floor

at a time when the District of Columbia has been teetering on the brink of bankruptcy. I am supporting this timely measure because I believe that it will provide workable solutions to the severe financial problems that have beset our Nation's Capital City. The financial recovery and management responsibility authority will provide fiscal oversight while preserving the essence of home rule.

At this urgent time, Mr. Speaker, I wish to commend what has been an exemplary bipartisan effort to attack an extremely pressing problem. I encourage support of this bill which will help bring financial stability and budgetary control to the District of Columbia.

Ms. NORTON. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. WYNN], a Member from this region who has been helpful to the District.

(Mr. WYNN asked and was given permission to revise and extend his remarks.)

Mr. WYNN. Mr. Speaker, I thank the gentlewoman for yielding to me, and for her kind remarks.

Mr. Speaker, I do rise as a Member of our region representing Prince Georges and Montgomery Counties, the neighbors to the north and east of the District of Columbia. Let me begin by extending commendations to the chairman, the gentleman from Pennsylvania [Mr. CLINGER], and to the ranking member, the gentlewoman from Michigan [Miss COLLINS], and also to the subcommittee chairman, the gentleman from Virginia [Mr. DAVIS], a freshman who has done exemplary work on this project. I am certainly appreciative, and all of my constituents are appreciative.

Finally, let me note the outstanding work of the gentlewoman from the District of Columbia [Ms. NORTON], who has done yeoman's work on this bill in both being an advocate for the District of Columbia and a strong negotiator here in Congress, in helping to bring this measure to fruition.

Mr. Speaker, we in the suburbs do recognize the importance of the District of Columbia to the Nation's vitality. That is why I am here to support the District of Columbia Financial Responsibility and Management Assistance Act. I hope my colleagues in this body also recognize the importance of the District of Columbia as the seat of our Nation's Capital and would also support this measure.

Looking at our current situation, Mr. Speaker, it is in fact a crisis. There have been some mistakes on the part of the District of Columbia, but the Congress also bears a significant part of the responsibility for this situation. We have helped create this structural deficit that includes congressionally imposed unfunded pension liabilities, so it is good that both parties have come together.

Again, the gentleman from Virginia [Mr. DAVIS] has been inclusive in allowing the District of Columbia officials

to participate and accepting their suggestions as to how to make this proposal work. Mr. Speaker, it retains the strong role of the District officials, the Mayor, and the council. It also maintains limited home rule.

I believe the bill is a significant movement in the right direction toward correcting the problems of the District of Columbia, and urge its adoption.

Ms. NORTON. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland [Mr. HOYER], my good and helpful friend, a member of the Committee on Appropriations, and a leader of this region.

Mr. HOYER. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, I want to first of all say that I have served here for some time, and without reference to anybody else in comparison, I do not think anybody else in this body represents their area better than she does. It is obviously a difficult area to represent in that everybody is watching it, every day. As she says, so many people live here. She does an extraordinary job in bringing the message of the District of Columbia, its hopes and aspirations, to this body. I commend her for her leadership on this bill.

Mr. Speaker, those of us in the Washington metropolitan area are also proud of the fact that we act together in a bipartisan fashion. We are very proud of the fact that TOM DAVIS has done such an extraordinary job in his leadership in bringing all of the various points of view together. As always, it is a pleasure to deal and work with my chairman, the gentleman from California [Mr. DIXON], and the chairman, the gentleman from New York [Mr. WALSH], on this matter.

Mr. Speaker, this legislation before us is a useful, important, and necessary vehicle to move the District of Columbia in the direction of getting its fiscal house in order. It contains tough provisions which require the District to be responsible and accountable by requiring accurate annual budgets and a 4-year financial plan. More, it cuts off the District's direct entitlement to drawing funds from the Treasury should it run out of money.

Consequently, without this control board the District will live under a growing dark cloud of financial uncertainty. If the District lives under such a dark cloud, the Maryland and Virginia suburbs, as well as the rest of the country, will be adversely affected. A healthy Capital City makes for a healthier Nation and is, as well, critical to a healthy Washington metropolitan area.

In closing, as we do our part in protecting the viability and stability of the Nation's Capital, it is my expectation, as the gentlewoman from the District of Columbia has said, that we will receive and are receiving full cooperation from the District of Columbia.

Mr. Speaker, I urge my colleagues to support this act.

If I might, Mr. Speaker, just make one additional statement, I have had discussions with the gentleman from Virginia [Mr. DAVIS], the chairman of the subcommittee, with reference to an item regarding the financing and the obligations of the District of Columbia with reference to the Washington Metropolitan Area Transit Authority. I was hoping we could deal with that on this legislation.

It is my understanding, however, that the gentleman from Virginia will have another piece of legislation dealing with the convention center. I have talked to the gentlewoman from the District of Columbia about this. I do not believe this is controversial in any way, and I hope we can deal with it on that legislation.

Mr. DAVIS. Mr. Speaker, if the gentleman will yield, the gentleman is correct. I think it will be addressed in that vehicle hopefully in the May timeframe.

Mr. HOYER. I thank the gentleman, and again I congratulate my colleague from Washington, DC.

Ms. NORTON. Mr. Speaker, may I inquire how much time I have remaining?

The SPEAKER. The gentlewoman from the District of Columbia [Ms. NORTON] has 3 minutes remaining, and the gentleman from Virginia [Mr. DAVIS] has 2¼ minutes remaining.

Ms. NORTON. Mr. Speaker, I yield 2 minutes to my good friend and always ally, the gentleman from Virginia [Mr. MORAN], also a Member from this region.

Mr. MORAN. Mr. Speaker, I thank my friend from the District of Columbia for yielding to me, but most importantly, for the role she has played within the Washington metropolitan region. When her leadership was called for, she came through in flying colors. As has been said previously, I do not think any constituency represented by any Member of this body is served better than by the gentlewoman from the District of Columbia [Ms. NORTON].

In fact, this was a perfect time to demagog to achieve short-term political benefits at the long-term expense of the health of the District of Columbia. She chose instead to work in a constructive fashion.

Likewise, I think we ought to give some credit, as I said in the full committee, to the gentleman from Georgia, Mr. GINGRICH, the Speaker, in having the foresight to make the gentleman from Virginia, TOM DAVIS, the chairman of this subcommittee. The fact is that he could not have chosen better.

The gentleman from Virginia has proven himself fully worthy of the task. He deserves a great deal of credit, not just from us in the Washington region, but from this entire body.

Mr. Speaker, this is a terribly important first step, but it is only a first step. This board will distribute the limited resources that are available to the

District of Columbia, and I know that it is going to do a responsible job in that, but it is only a first step in that those resources are too limited. We need to take many more steps.

One such step may be giving the responsibility for Lorton, for example, over to the Federal Bureau of Prisons, because that is a State function, and the city has only normal city resources available to it. We ought to examine other steps like that.

We also ought to look at possibilities of setting aside large tax-free zones. The board might want to take the initiative to seek out consortia, bankers, developers, city planners, and find areas in the city that are currently not yielding any Federal revenue, so it would not cost us anything in terms of Federal income taxes, but perhaps take the initiative to give the city an opportunity to rebuild its tax base. That ultimately is what is needed.

The fact is this entire body ought to be proud of this piece of legislation. It is the right thing to do, done by the right people in the right way.

Ms. NORTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I hope the House will regard this as a historic day for a new beginning, not a sad day, but a day that marked the period when the District shot out of its doldrums, the kind of doldrums many large cities find themselves in today.

I am appreciative for the work of the subcommittee, particularly the gentleman from Virginia [Mr. DAVIS]. As a native Washingtonian in a region without borders, he has made that understood by the way he has transformed the committee process for these purposes.

Mr. DAVIS. Mr. Speaker, I yield myself 2½ minutes.

Mr. Speaker, debt service is one of the basic functions of a municipal government. One of the stated purposes of this act is to assist the District of Columbia in attaining and then maintaining access to the credit and bond markets.

The subcommittee has tried to make abundantly clear that existing debt and its debt service payments are of concern. Lack of timely debt service payment would be counter to one of the major purposes of this legislation. Debt service is a foundational part of the District of Columbia budgets. The subcommittee expects that already dedicated funds be used to pay debt service.

If those funds are not sufficient, then other available funds can and should be used by either the District government or the Authority to ensure timely payment of debt service.

Mr. Speaker, I would also like to put into the RECORD additional cosponsors: the gentleman from Texas [Mr. ARMEY], the gentleman from Missouri [Mr. GEPHARDT], the gentleman from Louisiana [Mr. LIVINGSTON], the gentleman from Indiana [Mr. BURTON], the gentleman from Texas [Mr. DELAY],

the gentleman from Michigan [Mr. BONIOR], the gentleman from New York [Mr. GILMAN], the gentleman from Indiana [Mr. MCINTOSH], the gentleman from New Jersey [Mr. FRELINGHUYSEN], the gentleman from Georgia [Mr. KINGSTON], the gentleman from Texas [Mr. BONILLA], the gentleman from Illinois [Mr. DURBIN], the gentleman from Pennsylvania [Mr. FOX], the gentleman from New Jersey [Mr. PAYNE], the gentleman from New York [Mr. OWENS], the gentleman from Georgia [Mr. LEWIS], the gentleman from Florida [Mrs. MEEK], the gentleman from New York [Mr. TOWNS], the gentleman from Maryland [Mr. MFUME], the gentleman from New Mexico [Mr. RICHARDSON], the gentleman from Maryland [Mr. EHRLICH], the gentleman from New Mexico [Mr. SCHIFF], the gentleman from New Hampshire [Mr. ZELIFF], the gentleman from Washington [Mr. TATE], the gentleman from Michigan [Mr. CHRYSLER], the gentleman from Florida [Mr. SCARBOROUGH], the gentleman from Georgia [Ms. MCKINNEY], the gentleman from Ohio [Ms. KAPTUR], and the gentleman from Virginia [Mr. PAYNE].

Finally, Mr. Speaker, I want to thank several individuals I did not thank in my opening colloquy. Mr. Noah Wofsy, the legislative counsel, did an outstanding job, working many late hours around the clock to satisfy the many demands placed upon him, in a timely manner. We are very, very grateful for his efforts, Noah. I want to thank him.

Also I want to thank Mr. Ed Desev and Alice Rivlin from the President's Office and OMB, who worked with us in drafting this legislation. Finally, from my staff, I want to thank Mr. John Hishita, Chip Nottingham, and Cathy Walsh, who were very helpful in coordinating this.

With that, Mr. Speaker, I would urge adoption of H.R. 1345.

Mr. BONILLA. Mr. Speaker, I rise in support of H.R. 1345, the District of Columbia Financial Responsibility and Management Assistance Act. Unfortunately, the continued deterioration of the District's financial status and the inaction of local officials has left us no other choice but to pursue this legislation. The oversight board created by this bill will stabilize the District's financial health. For far too many years local officials have been unwilling to accept responsibility and make the tough decisions that must be made. Presently, the demands of municipal unions are given priority over the needs of schoolchildren. This government-union conglomerate threatens the safety of this community. Citizens do not know from one day to the next if they will have police, fire, and medical protection, or if they will have basic services like waste disposal or street repair.

Mr. Speaker, I am concerned for the long-term future of the District of Columbia. The Oversight Board will help bring financial stability to the District government, but what happens after the Board dissolves? The Congress must help the District maintain long-term stability, stability that will exist long after the Financial Oversight Board dissolves. To attain

this security, I propose the adoption of a city manager form of government. This form of government would bring long-term fiscal accountability to the city. I support maintaining home rule for the citizens of Washington, DC, and believe that a city manager would be instrumental in preventing the need for future Federal intervention.

Currently, the city bureaucracy is bloated and out of control. There is no accountability and a clear lack of professionalism. A financial control board can help bring the current crisis under control, but this Board should not be a permanent fixture for the District government. If an oversight board is in place for only 5 years, as currently suggested, then long-term solvency can only be solved by restructuring the D.C. government.

A city manager would increase bureaucratic efficiency. A full-time, professional city manager would be responsible for the bureaucratic structure presently controlled by the Mayor. The manager would be hired by, and accountable to, the city council, with appointments and terminations to be approved by the House and Senate oversight subcommittees. Appointing a professional to run the city would increase the likelihood that congressionally mandated cuts and reforms would be appropriately instituted. The District government needs a leader who can insure tax dollars are not wasted and services are delivered.

The council-manager form of government is compatible with the implementation of a financial oversight board. The District faces many problems that can only be solved by making tough decisions that will undoubtedly be unpopular with some constituents. A city manager will make home rule finally work. HUD Secretary Henry Cisneros and California Governor Pete Wilson both served as mayors under a council-manager form of government in San Antonio and San Diego respectively. These are 2 of the 10 largest cities in the country. As a matter of fact, many of the Nation's most successfully run cities have council-manager systems in place. Some examples are: Dallas, TX; Phoenix, AZ; Austin, TX; San Jose, CA; Cincinnati, OH; Norfolk, VA; Little Rock, AR; and St. Louis, MO.

Sadly, elected representatives in the District of Columbia have addressed political problems without concern for the consequences. The division of responsibilities between the District and Congress has led, and perhaps encouraged, local officials to finger point rather than solve problems.

Mr. Speaker, I believe the District of Columbia is one of the greatest cities in the world. All America has a vested interest in seeing this city succeed. We cannot succeed without consideration of a long-term solution. I trust the Congress will give this proposal serious consideration.

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today to express my full support for moving forward with taking emergency steps to restore the District of Columbia to a sound financial status. I also want to congratulate Chairman THOMAS DAVIS of Virginia and JAMES WALSH of New York, and Washington, DC Delegate ELEANOR HOLMES NORTON for all their hard work.

As a member of the Subcommittee on the District of Columbia, I am disturbed by the reports of fiscal mismanagement throughout the

District, and I share my colleagues' concern about this current financial crisis.

Having spent time in this city as a child, and now as a U.S. Representative, residents of the District and visitors to our Nation's Capital deserve better. They deserve to know how their money is being spent and they deserve more accountability. And, frankly, so do all the American people. It is our Nation's Capital, and it should reflect America at its best.

That is why I joined as a cosponsor of H.R. 1345, the D.C. Financial Responsibility and Management Assistance Act of 1995. I believe that the proposed Financial Control Board will help put the District of Columbia back on the right track.

I have spent the first 3 months of my term in committee hearings on this matter, and from what I have learned, the Financial Board is the only true option we have to making the city solvent again. This Control Board will have the authority to review city budgets, all District master plans, labor contracts before they are approved, all city borrowing, including loans from the U.S. Treasury and borrowing for the D.C. government. The Board will continue to operate at full authority until the District balances its budget for at least 4 straight years and it remain in a reduced oversight capacity until the city pays off all loans taken out under its authority. A five-member board will be individuals with proven financial or management expertise.

Mr. Speaker, I urge the Board to be formed as soon as possible so that the city will be returned to a fiscally sound status, such that all citizens, especially its children, are given a better quality of life by the District's government.

Miss COLLINS of Michigan. Mr. Speaker, I want to add my voice today to those who have offered their support for H.R. 1345, the District of Columbia Financial Responsibility and Management Assistance Act.

In a Congress where recent debates have given new meaning to the word "partisan," this bill is indeed a rarity. It is a rapid bipartisan response to a crisis which, by its very nature, has invited partisanship at every turn.

Also, unlike many other critical bills in this Congress, H.R. 1345 has had appropriate deliberations. In addition to meeting with D.C. government officials, the Subcommittee on the District of Columbia heard testimony from State and municipal officials who have worked extensively with municipal financial control boards. Because control boards are rarely used, the knowledge derived from the testimony of these experts was priceless.

Finally, subcommittee members and staff worked around the clock to incorporate what they had learned into the legislation before us today. This is a model bill, and I hope that other committees will take heed of our example.

I yield back the balance of my time.

The SPEAKER pro tempore. All time has expired.

The question is on the motion offered by the gentleman from Pennsylvania [Mr. CLINGER], that the House suspend the rules and pass the bill, H.R. 1345, as amended.

The question was taken, and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DAVIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1345, the bill just considered and passed.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from Virginia?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON S. 244, THE PAPERWORK REDUCTION ACT OF 1995

Mr. DAVIS. Mr. Speaker, I ask unanimous consent that the Committee on Government Reform and Oversight be given until midnight tonight to file the conference report on S. 244, the Paperwork Reduction Act of 1995.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 5 p.m.

Accordingly (at 3 o'clock and 59 minutes p.m.), the House stood in recess until 5 p.m.

□ 1700

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. HASTINGS of Washington] at 5 p.m.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 831) an Act to amend the Internal Revenue Code of 1986 to permanently extend the deduction for the health insurance costs of self-employed individuals, to repeal the provision permitting nonrecognition of gain on sale and exchanges effectuating policies of the Federal Communications Commission, and for other purposes.

FISHERMEN'S PROTECTIVE ACT AMENDMENTS

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 716.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey [Mr. SAXTON] that the House suspend the rules and pass the bill, H.R. 716, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 384, nays 0, not voting 51, as follows:

[Roll No. 280]

YEAS—384

Abercrombie	DeLay	Hostettler
Ackerman	Dellums	Houghton
Allard	Deutsch	Hoyer
Andrews	Diaz-Balart	Hunter
Archer	Dicks	Hutchinson
Armey	Dingell	Hyde
Bachus	Dixon	Jackson-Lee
Baesler	Doggett	Jacobs
Baker (CA)	Doolittle	Johnson (CT)
Baker (LA)	Doyle	Johnson (SD)
Baldacci	Dreier	Johnson, E.B.
Ballenger	Duncan	Johnson, Sam
Barcia	Dunn	Johnston
Barr	Durbin	Jones
Barrett (NE)	Edwards	Kanjorski
Barrett (WI)	Ehlers	Kaptur
Bartlett	Ehrlich	Kasich
Barton	Emerson	Kelly
Bass	Engel	Kennedy (MA)
Bateman	English	Kennedy (RI)
Beilenson	Ensign	Kennelly
Bentsen	Eshoo	Kildee
Bereuter	Evans	Kim
Bevill	Everett	King
Bilirakis	Ewing	Kingston
Bishop	Farr	Klink
Bliley	Fawell	Klug
Blute	Fazio	Knollenberg
Boehlert	Fields (LA)	Kolbe
Boehner	Filner	LaFalce
Bonilla	Flanagan	LaHood
Bonior	Foley	Largent
Bono	Forbes	Latham
Borski	Ford	LaTourette
Boucher	Fox	Lazio
Brewster	Frank (MA)	Leach
Browder	Franks (CT)	Levin
Brown (CA)	Franks (NJ)	Lewis (CA)
Brownback	Frelinghuysen	Lewis (GA)
Bryant (TX)	Frost	Lewis (KY)
Bunn	Funderburk	Lightfoot
Bunning	Furse	Linder
Burr	Ganske	Lipinski
Burton	Gekas	Livingston
Buyer	Gephardt	LoBiondo
Callahan	Geren	Lofgren
Calvert	Gibbons	Longley
Camp	Gilchrest	Luther
Canady	Gillmor	Maloney
Cardin	Gilman	Manton
Castle	Gonzalez	Manzullo
Chabot	Goodlatte	Markey
Chambliss	Goodling	Martinez
Chapman	Gordon	Martini
Christensen	Goss	Mascara
Chrysler	Graham	Matsui
Clay	Green	McCarthy
Clayton	Greenwood	McCrery
Clement	Gunderson	McHale
Clinger	Gutierrez	McHugh
Clyburn	Gutknecht	McInnis
Coble	Hall (OH)	McIntosh
Coburn	Hall (TX)	McKeon
Coleman	Hamilton	McKinney
Collins (GA)	Hancock	McNulty
Collins (IL)	Hansen	Meehan
Collins (MI)	Harman	Meek
Combest	Hastert	Menendez
Conyers	Hastings (FL)	Metcalfe
Cooley	Hastings (WA)	Meyers
Costello	Hayes	Mfume
Cox	Hayworth	Mica
Coyne	Hefley	Miller (CA)
Cramer	Hefner	Miller (FL)
Crane	Heineman	Mineta
Cremeans	Hergert	Minge
Cubin	Hilleary	Mink
Cunningham	Hilliard	Molinar
Danner	Hinchey	Mollohan
Davis	Hobson	Moorhead
de la Garza	Hoekstra	Moran
Deal	Hoke	Morella
DeFazio	Holden	Murtha
DeLauro	Horn	Myers

Myrick	Roybal-Allard	Tate
Neal	Royce	Tauzin
Nethercutt	Sabo	Taylor (MS)
Neumann	Salmon	Taylor (NC)
Ney	Sanders	Tejeda
Norwood	Sanford	Thomas
Nussle	Sawyer	Thompson
Oberstar	Saxton	Thornberry
Obey	Scarborough	Thurman
Ortiz	Schaefer	Tiahrt
Orton	Schiff	Torkildsen
Oxley	Schroeder	Torricelli
Packard	Schumer	Towns
Pastor	Scott	Trafigant
Paxon	Seastrand	Upton
Payne (VA)	Sensenbrenner	Velazquez
Pelosi	Serrano	Vento
Peterson (FL)	Shadeegg	Visclosky
Peterson (MN)	Shaw	Volkmer
Petri	Shays	Vucanovich
Pickett	Shuster	Waldholtz
Pombo	Sisisky	Walker
Pomeroy	Skaggs	Walsh
Porter	Skeen	Wamp
Portman	Skelton	Ward
Poshard	Slaughter	Waters
Quillen	Smith (MI)	Watt (NC)
Quinn	Smith (NJ)	Waxman
Radanovich	Smith (TX)	Weldon (FL)
Rahall	Smith (WA)	Weldon (PA)
Ramstad	Solomon	Weller
Rangel	Souder	White
Reed	Spence	Whitfield
Regula	Spratt	Wicker
Riggs	Stark	Wilson
Rivers	Stearns	Wolf
Roberts	Stenholm	Woolsey
Roemer	Stockman	Wyden
Rogers	Stokes	Wynn
Rohrabacher	Studds	Yates
Ros-Lehtinen	Stump	Young (AK)
Rose	Stupak	Young (FL)
Roth	Talent	Zeliff
Roukema	Tanner	Zimmer

NOT VOTING—51

Becerra	Frisa	Montgomery
Berman	Gallegly	Nadler
Bilbray	Gejdenson	Olver
Brown (FL)	Gingrich	Owens
Brown (OH)	Inglis	Pallone
Bryant (TN)	Istook	Parker
Chenoweth	Jefferson	Payne (NJ)
Condit	Klecza	Pryce
Crapo	Lantos	Reynolds
Dickey	Laughlin	Richardson
Dooley	Lincoln	Rush
Dornan	Lowey	Thornton
Fattah	Lucas	Torres
Fields (TX)	McCollum	Tucker
Flake	McDade	Watts (OK)
Foglietta	McDermott	Williams
Fowler	Moakley	Wise

□ 1700

Ms. DUNN of Washington changed her vote from “nay” to “yea.”

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. PALLONE. Mr. Speaker, during rollcall vote No. 280 on H.R. 716, I was unavoidably detained. Had I been present I would have voted “yea.”

PERSONAL EXPLANATION

Mr. BROWN of Ohio. Mr. Speaker, I would have voted “yes” on rollcall 280, H.R. 716. The bells in my office did not work and I did not hear the rollcall until the second rollcall, when it was brought to my attention.

PERSONAL EXPLANATION

Mr. WATTS of Oklahoma. Mr. Speaker, I was unavoidably detained during rollcall vote 280. Had I been here, I would have voted “aye.”

SENSE OF THE HOUSE REGARDING AMERICAN CITIZENS HELD IN IRAQ

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The pending business is the question of suspending the rules and agreeing to the resolution, House Resolution 120, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. GILMAN] that the House suspend the rules and agree to the resolution, House Resolution 120, as amended, on which the yeas the nays are ordered.

The vote was taken by electronic device, and there were—yeas 399, nays 0, not voting 36, as follows:

[Roll No. 281]

YEAS—399

Abercrombie	Chrysler	Flanagan
Ackerman	Clay	Foley
Allard	Clayton	Forbes
Andrews	Clement	Ford
Archer	Clinger	Fox
Armey	Clyburn	Frank (MA)
Bachus	Coble	Franks (CT)
Baessler	Coburn	Franks (NJ)
Baker (CA)	Coleman	Frelinghuysen
Baker (LA)	Collins (GA)	Frisa
Baldacci	Collins (IL)	Frost
Ballenger	Collins (MI)	Funderburk
Barcia	Combest	Furse
Barr	Conyers	Ganske
Barrett (NE)	Cooley	Gekas
Barrett (WI)	Costello	Gephardt
Bartlett	Cox	Geren
Barton	Coyne	Gibbons
Bass	Cramer	Gilchrest
Bateman	Crane	Gillmor
Beilenson	Creameans	Gilman
Bentsen	Cubin	Gonzalez
Bereuter	Cunningham	Goodlatte
Bevill	Danner	Goodling
Bilbray	Davis	Gordon
Bilirakis	de la Garza	Goss
Bishop	Deal	Graham
Bliley	DeFazio	Green
Blute	DeLauro	Greenwood
Boehlert	DeLay	Gunderson
Boehner	Dellums	Gutierrez
Bonilla	Deutsch	Gutknecht
Bonior	Diaz-Balart	Hall (OH)
Bono	Dicks	Hall (TX)
Borski	Dingell	Hamilton
Boucher	Dixon	Hancock
Brewster	Doggett	Hansen
Browder	Doolittle	Harman
Brown (CA)	Dornan	Hastert
Brown (FL)	Doyle	Hastings (FL)
Brown (OH)	Dreier	Hastings (WA)
Brownback	Duncan	Hayes
Bryant (TN)	Dunn	Hayworth
Bryant (TX)	Durbin	Hefley
Bunn	Edwards	Hefner
Bunning	Ehlers	Heineman
Burr	Ehrlich	Herger
Burton	Emerson	Hilleary
Buyer	Engel	Hilliard
Callahan	English	Hinchey
Calvert	Ensign	Hobson
Camp	Eshoo	Hoekstra
Canady	Evans	Hoke
Cardin	Everett	Holden
Castle	Farr	Horn
Chabot	Fawell	Hostettler
Chambliss	Fazio	Houghton
Chapman	Fields (LA)	Hoyer
Chenoweth	Filner	Hunter
Christensen		Hutchinson

Hyde	Mollohan	Shadeegg
Jackson-Lee	Montgomery	Shaw
Jacobs	Moorhead	Shays
Johnson (CT)	Moran	Shuster
Johnson (SD)	Morella	Sisisky
Johnson, E. B.	Murtha	Skaggs
Johnson, Sam	Myers	Skeen
Johnston	Myrick	Skelton
Jones	Nadler	Slaughter
Kanjorski	Neal	Smith (MI)
Kaptur	Nethercutt	Smith (NJ)
Kasich	Neumann	Smith (TX)
Kelly	Ney	Smith (WA)
Kennedy (MA)	Norwood	Solomon
Kennedy (RI)	Nussle	Souder
Kennelly	Oberstar	Spence
Kildee	Obey	Spratt
Kim	Ortiz	Stark
King	Orton	Stearns
Kingston	Owens	Stenholm
Klink	Oxley	Stockman
Klug	Packard	Stokes
Knollenberg	Pallone	Studds
Kolbe	Parker	Stump
LaFalce	Pastor	Stupak
LaHood	Paxon	Talent
Largent	Payne (NJ)	Tanner
Latham	Payne (VA)	Tate
LaTourette	Pelosi	Tauzin
Lazio	Peterson (FL)	Taylor (MS)
Leach	Peterson (MN)	Taylor (NC)
Levin	Petri	Tejeda
Lewis (CA)	Pickett	Thomas
Lewis (GA)	Pombo	Thompson
Lewis (KY)	Pomeroy	Thornberry
Lightfoot	Porter	Thurman
Linder	Portman	Tiahrt
Lipinski	Poshard	Torkildsen
Livingston	Quillen	Torricelli
LoBiondo	Quinn	Towns
Lofgren	Radanovich	Trafigant
Longley	Rahall	Tucker
Luther	Ramstad	Upton
Maloney	Rangel	Velazquez
Manton	Reed	Vento
Manzullo	Regula	Visclosky
Markey	Riggs	Volkmer
Martinez	Rivers	Vucanovich
Martini	Roberts	Waldholtz
Mascara	Roemer	Walker
Matsui	Rogers	Walsh
McCarthy	Rohrabacher	Wamp
McCrery	Ros-Lehtinen	Ward
McHale	Rose	Waters
McHugh	Roth	Watt (NC)
McInnis	Roukema	Watts (OK)
McIntosh	Roybal-Allard	Waxman
McKeon	Royce	Weldon (FL)
McKinney	Sabo	Weldon (PA)
McNulty	Salmon	Weller
Meehan	Sanders	White
Meek	Sanford	Whitfield
Menendez	Sawyer	Wicker
Metcalfe	Saxton	Wilson
Meyers	Scarborough	Wolf
Mfume	Schaefer	Woolsey
Mica	Schiff	Wyden
Miller (CA)	Schroeder	Wynn
Miller (FL)	Schumer	Yates
Mineta	Scott	Young (AK)
Minge	Seastrand	Young (FL)
Mink	Sensenbrenner	Zeliff
Molinari	Serrano	Zimmer

NOT VOTING—36

Becerra	Gejdenson	McDade
Berman	Gingrich	McDermott
Condit	Inglis	Moakley
Crapo	Istook	Olver
Dickey	Jefferson	Pryce
Dooley	Klecza	Reynolds
Fattah	Lantos	Richardson
Fields (TX)	Laughlin	Rush
Flake	Lincoln	Thornton
Foglietta	Lowey	Torres
Fowler	Lucas	Williams
Gallegly	McCollum	Wise

□ 1721

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. STUPAK. Mr. Speaker, I was not here on Thursday, March 30, as I was in Michigan attending a funeral. I missed two rollcall votes: rollcall vote No. 278 and rollcall vote No. 279.

If I had been here, I would have voted "no" on rollcall 278 and "no" on rollcall 279.

I ask that this be reflected in the RECORD.

□ 1745

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Under the Speaker's announced policy of January 4, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

MISSILE PROLIFERATION, ONE OF THE GREATEST THREATS TO AMERICA IN THE 21ST CENTURY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WELDON] is recognized for 5 minutes.

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today to call attention to an issue that is dominating much of the discussion of the House and Senate Armed Services and National Security Committees dealing with missile defense.

Those of us who saw CNN yesterday report that the Russians have now decided to offer for sale the SS25 missile launch architecture to other nations of the world realize that the potential for this technology, that in fact could launch an intercontinental ballistic missile to any part of our country, is in fact being offered for sale to Third World nations and to nations to be used as a space launch assembly. This greatly concerns me and many of my colleagues, Mr. Speaker, because of the potential for a rogue nation to obtain this technology in a very short period of time.

In addition, we see where the Iranians are now putting together cruise missiles along the Straits of Hormuz, which could threaten the shipping lanes in that area.

Mr. Speaker, the bottom line is that one of the greatest threats that we will have to face as we approach the 21st century is that of missile proliferation.

In fact, Mr. Speaker, there are three specific areas we have to focus on. The first deals with cruise missiles, low-flying, the kind of missiles we saw Saddam Hussein use in Desert Storm against the Israelis, known as the SCUDS.

Cruise missiles are currently in the hands of 77 nations around the world, Mr. Speaker. In fact, 20 nations of the world are not producing cruise missiles. In fact, we in this country, much to my objection, just allowed the technology to be transferred to China to allow them to increase their cruise

missile technology in terms of their motors to drive those cruise missiles.

It is an area we need to focus on, and Mr. Speaker, one that we are not putting enough emphasis on in terms of national security interests.

Mr. Speaker, the second concern dealing with missiles deals with theater missiles, those systems that could protect our troops from an attack in a theater of operation, like we saw the SCUDS do in Desert Storm. We are working aggressively in this area, Mr. Speaker. The President supports theater missile defense. I support that effort. I want to make sure we give General O'Neill the maximum support possible in terms of theater missile defense.

The third area deals with national missile defense. Most of the public at large in this country does not realize that currently we have no protection against a deliberate or accidental launch of one missile aimed at our mainland.

What further concerns me, Mr. Speaker, is the fact that China now has a missile, the CSS II, that has a range of 2,000 miles. North Korea is developing a missile, the Taipodong II missile, that has a range of several thousand kilometers, that could one day reach Guam and perhaps even Alaska. We have no defense against those kinds of missiles.

In fact, as I mentioned at the onset of my comments tonight, Russia is now offering the SS25 architecture, one of their main missile launch systems, to other nations.

Mr. Speaker, with these things in mind, we are now trying to provide for Members of Congress a detailed assessment of the threat and what our capabilities are in terms of missile defense technology. We are holding five hearings in the Committee on National Security on missile defense, the technology, where we are today, the threat, and what we have bought and what we have received for the dollars we have invested.

Mr. Speaker, I would invite all of our colleagues to come out tomorrow morning in the Rayburn Building in H.R. 2118, the Committee on National Security main hearing room, where we will have assembled the technologies that we have purchased with our missile defense moneys over the past decade or so. Members will be able to see these technologies, ask questions, and be briefed by General O'Neill and those people in the Navy, the Air Force, and the Army who have been working on missile defense technology.

Following that walk-through, which is open to every Member of the House and Senate, we will have a press conference at 11 o'clock and then open the entire display to the public. From 11:00 until 1:00 the public is invited to come to 2118 Rayburn, where they can see the kinds of technology that we have developed over the years and that is ready to go into deployment, in some cases, over the next several years.

Finally, at 2 o'clock in the afternoon in that same hearing room, General O'Neill will come before the Subcommittee on Research and Development of the Committee on National Security, and we will explore in great detail with him the technologies that are in fact available today, those that are being deployed, and those technologies that are on the horizon for us to be researching and looking to implement.

Mr. Speaker, I would ask all of our colleagues to join in this assessment of where we are going with missile defense technology, and to join with a bipartisan effort in making sure that Members of Congress understand the threat that is there. Some would say that with the demise of the former Soviet Union there is no more threat.

Mr. Speaker, one only has to look at what is happening in the real world to understand that we are today unprotected.

THE CROWN JEWELS OF THE REPUBLICAN CONTRACT WITH AMERICA GO TO WEALTHY CORPORATIONS, NOT TO MIDDLE-INCOME AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon [Mr. DEFAZIO] is recognized for 5 minutes.

Mr. DEFAZIO. Mr. Speaker, the Speaker said it all over the weekend. He talked about the crown jewel, or the crowning achievement of the Republican Contract on America; that is, the coming tax cuts.

I would say it is a crowning achievement for certain, because we are talking about \$188 billion over 5 years. That is even more than these precious jewels on this crown here could represent: \$630 billion over 10 years. This is quite an achievement.

We have been cutting and hacking our way through domestic programs the school lunch program, the Women, Infants, and Children Program, and a whole host of other things that are important to middle-income Americans. We are putting that in the pot. That is going to help begin to pay for the crowning achievement, for the crown jewels.

We could say, in fact, that figuratively the Speaker and his party have been taking dollars and cents out of the pockets of middle-income and less-well-off Americans, thrown them all together in one big pot, in order to buy a crown for those who are already at the top.

Mr. Speaker, one of the most startling proposals, and this wasn't in the contract to come forward, but it has been added after some corporate arm-twisting and lobbying, big business got a very, very special break here. Everyone's eyes start to glaze over a bit when you talk taxes, so I guess no one thought much when suddenly the Republican contract had a little addition; that is, a repeal of the alternative corporate minimum tax.

What does that mean? Let us go back to 1982, before we had a corporate alternative minimum tax. Here is what it meant back then.

From 1982 to 1985, AT&T—American Telephone and Telegraph—had profits of \$24,898,000,000, and guess how much they paid in taxes: nothing. In fact, after \$24,898,000,000 in profits over that 4-year period, they were entitled to a \$635.5 million tax credit. That is, working Americans people who go to work every day, and every day the Government takes something out of their paycheck, a little bit of that went to give AT&T a tax credit for taxes that it did not pay.

Who else? What else did this mean back in 1982? The Boeing Company was doing a little better back then. They were selling more airplanes. They had profits of \$2,271,000. How much did they pay in taxes? Not one red cent. In fact, they got a refundable tax credit of \$121 million. The list goes on; Texaco, \$1.5 billion, a \$68 million credit.

Finally, Mr. Speaker, the loser at the bottom of this list of 50, Middle South utilities, with a puny \$2.5 billion in profits, paid nothing, but they were not eligible for a credit. They did not get the crown. However, maybe under this new proposal they will.

It is ironic that the Republican tax proposal would not give a refundable tax credit for children. That is right, for people who are already at the bottom of the rung, people earning around \$20,000 to \$25,000 a year, they cannot get a refundable tax credit for their children, but our corporations now will be able to get refundable tax credits.

Doesn't that make you feel a lot better? Doesn't that give you a little bit better idea what this is all about?

The estimates are that these credits would flow to the largest corporations in this country; 90 percent of the alternative minimum tax that was paid in 1990 was paid by firms with assets of more than \$250 million. Three-quarters—75 percent—of those firms had assets of more than \$2 billion, so it is those poor struggling firms with only \$2 billion in assets to whom we are going to extend a refundable tax credit through this legislation this week.

Working Americans, the day after the crowning achievement of the gentleman from Georgia [Mr. GINGRICH], the Contract With America, passes, will go to work and the Government will still take a nice piece of change out of their paycheck. That will not change a bit, particularly if you only earned \$20,000 or \$25,000 a year. However, the corporation you work for might just get a nice big, fat tax break, particularly if they are worth more than \$2 billion. Think about it.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. RIGGS] is recognized for 5 minutes.

[Mr. RIGGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. WYNN] is recognized for 5 minutes.

[Mr. WYNN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

URGING MEMBERS TO JOIN IN SIGNING THE STOCKMAN DISCHARGE PETITION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. ROHRBACHER] is recognized for 5 minutes.

Mr. ROHRBACHER. Mr. Speaker, I would like to draw the attention of my colleagues to the fact that since we have been negotiating and working out problems here on the floor, trying to save the taxpayer \$100 million here and \$1 billion here and \$1 billion there, that billions of taxpayers dollars have been ripped off and sent to special interest groups, powerful interest groups, domestically and internationally. We are talking about the Mexican bailout.

Yes, in the name of bailing out a country that made horrible decisions, economic decisions, and is governed by a corrupt elite, the American taxpayer has been ripped off to the tune of tens of billions of dollars, and the cash is still flowing.

As we speak, every debate that goes on, the cash is still flowing to a corrupt Mexican elite, and to Wall Street speculators that decided instead of investing in the United States of America to create jobs here, they would invest in Mexico, to get a higher rate of return. As soon as they lost their shirt, because it was a risky investment, they come back to the American people and ask us to use our hard-earned money to bail them out. It is a sin. It is a crime against our own people that millions, and yes, billions of dollars are being spent for that purpose.

Mr. Speaker, I would ask my colleagues to join the gentlewoman from Ohio, MARCY KAPTUR, and myself and others who are dedicated to stop this flow of billions of dollars. Already tens of billions of dollars have gone. We can stop it before it is \$50 billion by signing the Stockman discharge petition. If we can get 218 signatures on a petition from the rest of our colleagues, we can bring this issue to the floor for a vote.

I ask my colleagues to join me, and I ask the American people to see if their Congressmen have signed the Stockman discharge petition. How can we in good faith cut the services for the American people? Yes, I think it is important to do that if we are going to bring down the budget deficit, so future generations do not have to pay for those services, but it is immoral for us to cut the benefits and services that our people have paid for over their lives in order not to balance the budget, but instead, to give us revenue to send to people who speculate in foreign countries and to prop up a corrupt

Mexican elite, an elite that ends up shooting their own brothers and sisters; an elite that is so corrupt that when they cross the border, their former deputy Attorney General ends up being arrested in this country.

We cannot permit the hard-earned dollars of our taxpayers to keep flowing in that direction while we try to balance the budget by just taking a little bit here and saving a little bit there. Let us get to this very serious issue. I think the American people ought to know that while we are debating these types of peripheral issues, that a large chunk of cash, larger than any of the issues we are talking about, is flowing in this direction.

Mr. Speaker, I would please ask my colleagues to sign the Stockman discharge petition, and I would ask the American people to see if their Congressman has, indeed, gone along with this righteous attempt to protect the hard-earned taxpayers' dollars that should be going either to bring down the deficit, or providing the services that are necessary for our own people.

□ 1800

Mr. Speaker, I yield to my friend the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. I thank the gentleman for yielding.

I would just like to endorse his proposal to the membership to sign House Discharge Petition 2, the Stockman-Sanders discharge petition. There is a bill ready to come to the floor supported by a large number of Members on both sides of the aisle, and I want to commend the gentleman from California for bringing the importance of this to the American people as well as the membership.

As one of the signers of that discharge petition, I know that it is the only alternative we have left to get a full debate in this House on Executive action that has gone beyond the bounds of precedent.

Mr. ROHRBACHER. It is a bit cynical, I believe, for us not to mention this, and to keep talking about other issues, about how we are trying to bring down the budget deficit.

How can we debate bringing down the budget deficit by \$100 million here or we are going to cut this benefit over here that is going to bring down the deficit supposedly by \$2 billion, when billions and billions of more dollars are actually continuing to flow to bail out Mexico and these Wall Street speculators? It is a sin against our own people.

Sign the Stockman discharge petition.

A BALANCED BUDGET

The SPEAKER pro tempore (Mr. KINGSTON). Under a previous order of

the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, is it any wonder that the citizens of the United States grow increasingly cynical about this Congress? Expediency and the next election will dominate this week's likely battle over the Republican proposed tax cuts and their impact on our worsening budget deficit. We have got a bidding war underway here to see who can flatter the most voters. Cutting spending, reducing the deficit and balancing the budget may not be popular with the hotshot pollsters who have got their eye on next year's elections but is it not time that we do what is right for America and for America's future?

Keep this in mind. According to the Congressional Research Service, the United States budget has not been balanced since 1969. President Clinton in 1993 and 1994, to his credit, began to make a dent in this fiscal mess. Every Member here who supported him in that effort did what was right. The annual deficit was projected to be close to \$300 billion a couple of years ago but has been brought down now to around \$170 billion, still not perfect but a whole lot better. In fact, the deficit as a share of our total gross domestic product has been cut by more than half, from nearly 5 percent in 1992 to about 2.5 percent today. This level is lower than at any time since 1979, which means it is not so much of a drag on the economy. This marks the first time since Harry Truman was President that the deficit has gone down 3 years in a row. But overall, our Nation has accumulated an unpaid debt of over \$4.7 trillion as of January of this year, over \$3 trillion of that \$4.7 trillion total, nearly three-quarter of it, during the 12 years of the so-called supply side economics. Last year alone as a result, taxpayers, us, we had to pay nearly \$300 billion just in interest on the accumulated debt accounting for about 15 percent of total Federal spending.

Of this \$300 billion in interest that people are paying, \$44 billion of it is being paid to foreign creditors we are borrowing from to finance our overspending. The interest we pay on the debt just this year is enough to pay the entire defense budget of the Nation for 1 year as well as all of the medical costs for our veterans and the entire cost of our college student loan program.

So what does the Republican Contract on America intend to do about all of this? It intends to enact a tax cut that will make matters \$700 billion worse over 10 years.

After we have cut the deficit by \$130 billion over the last 3 years, which is not small potatoes, we are now going to throw reason out the window and sop up all our progress. What is really sad about all of this is that interest rates in America are rising, 7 times in the last year, to offset our prior credit orgy. So even if a tax cut passed, the

benefit to any family in America has been lost already by higher interest rates they are paying due to our Nation's accumulated debt and its draw on our credit markets.

Is it not time for some courage and wisdom in this Congress? Is it not time to vote for what is right for the next generation, not the next election? Is it not time for statesmen and stateswomen to be elected here and send the election hucksters back home?

It is time to vote for a balanced budget.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. CHABOT] is recognized for 5 minutes.

[Mr. CHABOT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut [Ms. DELAURO] is recognized for 5 minutes.

[Ms. DELAURO addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

POST MOUNTS CAMPAIGN FOR CASTRO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. DIAZ-BALART] is recognized for 5 minutes.

Mr. DIAZ-BALART. Mr. Speaker, sometimes it is amazing to see the campaign on behalf of one of the last remaining tyrants in the world that is engaged upon by our local newspaper here, the Washington Post.

In the last 3 days, we have five articles or op-ed pieces in this newspaper desperately trying to defend Castro, desperately trying.

"Proposed Republican Bill on Cuba Could Hurt Canadian Economy." That is one article.

"U.S. Alarms Canada with Cuba Shift."

"Adrift on Cuba."

"Get off Cuba's Back."

"A Bill That Will Help Castro."

By the way, this bill that has been introduced in the Senate by Senator HELMS and here by Congressman BURTON already with a substantial number of us cosponsoring it, this bill that this op-ed piece in the Washington Post from yesterday, under the headline "A Bill That Will Help Castro," this theory that this bill helps Castro, it is interesting. It happens to be Castro's main objective in terms of defeat. Yet article after article after article, we see allegations that, for example, two things, and this is another op-ed in the Washington Post from today. This op-ed says, "Two things seem to be driving our anti-Castro policy. Cubans in Florida and sheer vengeance."

Where do we see, for example, when black Americans try to influence pol-

icy on Haiti and on South Africa and Irish-Americans try to influence policy with regard to Northern Ireland and Jewish-Americans try to influence policy with regard to the Middle East, where are five articles or op-ed pieces in the Washington Post in 3 days criticizing that? I think that this has to be called what it is. This is despicable. If it were targeted on the Irish-American community or the black community or the Jewish community, it would be rightfully called for what it is, it would be called racist. Yet it is all right to say that Cuban-Americans cannot lobby in the United States so that the country where they were born in and where relatives of theirs still have to live is free. That is incorrect according to article after article and op-ed after op-ed.

Let me just say to these folks at the Washington Post, a little balance would perhaps be logical. If you are going to have five articles and op-eds in 3 days defending Castro, for example, one of them here "Adrift on Cuba," a savage attack on an American patriot who happens to be in the State Department, Ambassador Michael Skol, a savage attack, probably leaked by someone in the National Security Council, notice this, attacks Michael Skol because Skol testified here in Congress that Castro last July had ordered over 40 men, women, and children sent to their deaths when he ordered the sinking of a tugboat that has been reported after pleas and pleas and pleas from this Congress and elsewhere, it was finally reported in the media. And Michael Skol pointed it out.

Look at what this article says. "But neither the National Security Council nor the intelligence community has evidence that the sinking was ordered according to U.S. officials," probably Mr. Morton Halperin at the National Security Council, probably once again the folks around the President who continue to try to pressure the President into throwing a signal of friendship, sending a signal of friendship to the Cuban tyrant.

Listen to this. "Because the Cuban government insists the sinking was accidental, Skol's testimony was taken by Cuban officials as an accusation that Castro had personally ordered it."

Well, what happened if that was not the case? If anyone knows anything about the Cuban situation, you know that nothing happens in Cuba, much less do security officials dare to sink purposefully as the evidence has conclusively pointed to, much less do they purposely sink a ship with over 70 refugees if they do not have the direct order of their commander in chief. All the evidence points to that and Ambassador Skol is criticized.

We are going to continue talking about this, Mr. speaker. But this is very serious and apparently continues to come out of the Clinton National Security Council and something has got to be done about it.

ECONOMIC UPDATES FROM JOINT ECONOMIC COMMITTEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. SAXTON] is recognized for 5 minutes.

Mr. SAXTON. Mr. Speaker, I rise tonight to announce to the House that over the last several days, together with my Joint Economic Committee staff, we have prepared five papers that demonstrate very well why all Members of the House should support this week the final element of the Contract With America. These are five papers which are very easy reading and I would just like to tell you what the five papers are and if you are interested in having a copy, you can call my office and obtain one.

The first one is "The Contract and Economic Growth." The first paper makes note that economic growth has been forecast by the Clinton administration over the coming years to grow at only about 2.3 to 2.5 percent. We point out in this that the economic policies that are contained in this week's tax package will promote the kind of growth that will get us back to where we need to be. You do not have to ask us, because this issue has been studied by others and many others from outside the Congress agree that that will happen.

The second paper is "The Contract Means More Personal Incomes for Families." As the economy grows and expands, everybody's share will be bigger, from low-income people to high-income people. As a matter of fact, by the year 2002, it is projected that our economy will be \$1.1 trillion larger than it is today.

The claims of supporters of the contract are realistic. Several studies, including those by DRI/McGraw-Hill, Laurence Meyers and Associates, and the Institute for Policy Innovation all agree.

The third paper is "The Contract and Take Home Pay." It is important to make note that the \$500 per child tax credit helps those families that need it the most. For example, we point out in this paper that if you are a family with an income of \$25,000, a family of four, that 100 percent of your tax, remaining tax liability will be alleviated by the \$500 tax credit. If you are in the \$30,000 tax bracket, 48 percent of your tax liability will be alleviated with the Contract With America. If you are in the \$45,000 incomes category for a family of four, your tax liability will be reduced by 21.5 percent. And if you are in the whopping \$50,000 category, your tax liability will be reduced by 17.8 percent. Very significant for today's families.

We also point out in paper No. 4 entitled "The Contract and Victory Over Government Day," for those of you who have not heard, Victory Over Government Day is the day when we finally get on our own to earn a living for our family and do not have to send any more money to the Government,

this year Victory Over Government Day will be June 4. Under President Clinton's proposed budget by the year 2002, Victory Over Government Day will be 3 days later, on June 7.

Under the provisions of the contract and the tax package we will pass this week, Victory Over Government Day will shrink back to May 26, a difference of 12 days that the American family can work for themselves instead of sending money to Government.

□ 1815

Finally, the paper, the fifth paper, entitled "The Contract and the Future," points out that the contract helps parents provide for their children's future and for their inheritance in four important ways.

First, the contract improves take-home pay for families because with an expanding economy we can all expect to make more.

Second, the contract provides for the super-IRA provision and, in so doing, allows increased savings. The contract allows the family to plan more efficiently for college or for retirement.

Third, the contract helps families plan for their future by reducing the benefits tax on seniors who work. As we all know, in 1993 President Clinton and the Democrats increased the taxes on senior citizens' Social Security, and of course that is repealed.

The fourth and final way the contract helps families provide is by reducing the estate tax and thereby reducing the taxes on inheritance. And, of course, that allows parents to pass more along to their children to help them in the outyears.

So these are five papers that we have spent a lot of time researching, writing, putting together, verifying. They are important points I think that are made in these papers, and we will be more than happy to provide them to any Member who wishes to have them.

The SPEAKER pro tempore (Mr. KINGSTON). Under a previous order of the House, the gentleman from North Dakota [Mr. POMEROY] is recognized for 5 minutes.

[Mr. POMEROY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

STUDENT LOAN PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, we are confronted with yet another proposal for change. Too much change in too short a time—a "dizzying disorientation," said the writer Toffler.

The majority has outlined plans to abolish or restructure four programs that provide aid to college students.

The drastic changes proposed will add almost \$13 billion, over the next 5 years, to the cost of going to college.

Needy students from across the country who now make the choice to go to college will no longer have a chance to do so.

Four programs are targeted—College Work Study; Perkins Student Loans; Stafford Interest-Deferred Student Loans; and Supplemental Education Opportunity Grants.

This elimination and restructuring of college student aid programs come hot on the heels of \$1.7 billion in cuts in other education programs serving low- and middle-income families.

Under College Work Study, Federal dollars are provided to colleges to provide jobs for low- and middle-income students.

Three quarters of a million students who worked their way through college last year, will not have that opportunity next year.

Under the Perkins Loan Program, the Federal Government provides money to colleges to establish low-interest loan funds for their students.

Another three quarters of a million students who borrowed Perkins money for their education last year, will not have that opportunity next year.

Stafford loans allow low- or middle-income students to borrow money for their education and defer repayment of the loan, including interest, until 6 months after graduation.

Under the Stafford Loan Program, needy students can attend and complete college, without having to worry about loan repayments until they have jobs.

Four and a half million students who received Stafford loans last year, without the burden of interest repayment while studying, will carry that burden next year.

And, the Supplemental Educational Opportunity Grant Program is a direct grant program that goes primarily to low-income, truly needy students.

Nearly a million truly needy students who received grants under this program last year will not receive those grants next year. That program will be eliminated, if the majority prevails.

The pace of proposed change at which the proponents of change have been operating is unprecedented in the history of Congress.

But, they want change for the sake of change.

They want to restructure or eliminate programs and change public policy affecting millions of college students, who have been working for the future.

In a mad rush to do something different, they can not be sure that they are doing something better.

They fail to hear Karr, who commented, "The more things change, the more they remain the same."

They miss the point of Patton, a great Army general, who stated, "Weapons change, but man who uses them changes not at all."

They have the votes. They will try to change these programs, but they can not crush the spirit that created them.

These programs were prudent when they were created, and they are prudent now.

Those who blindly push for change have not considered the wise words of Shelley, whose poetry is as penetrating in 1995 as it was in 1821,

I am the daughter of earth and water,
And the nursling of the sky,
I pass through the pores
of the oceans and shores,
I change, but I can not die.

If they want real change, they should change the minimum wage.

If they want meaningful change, they should change the tax cut they have proposed for the wealthiest Americans to focus on working families and the middle class.

If they want change that makes a difference, they should change their Personal Responsibility Act and restore school lunch programs for children.

If they want significant change, they should change their minds about cutting college student aid programs.

We will fight these changes to the long-standing effective college student aid programs.

Dr. Martin Luther King, Jr., in accepting the Nobel Peace Prize in 1964, said, "The tortuous road millions are traveling to find a new sense of dignity, will, I am convinced be widened into a superhighway of justice."

Today's college student deserves to learn about Toffler, Karr, Patton, Shelley, and King.

Change for the sake of change is obviously useless. Secretary Riley had it right when he said, "Education is a national priority." Education of our youth is an investment in our Nation's future.

REQUEST FOR PERMISSION FOR 5-MINUTE SPECIAL ORDER

Mr. SMITH of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. OWENS. Mr. Speaker, reserving the right to object, is there a list of Members for 5-minutes?

The SPEAKER pro tempore. There is.

Mr. OWENS. There is a list? Can we follow the list?

The SPEAKER pro tempore. The Chair is endeavoring to go across the aisle, and the gentleman is on the list.

Mr. OWENS. Can we follow the list?

The SPEAKER pro tempore. We are following the list, but they are asking for unanimous consent. Is the gentleman objecting?

Mr. OWENS. Well, I thought the practice was to follow the list, and then after the list is finished to entertain unanimous-consent requests.

The SPEAKER pro tempore. The Chair is just trying to recognize Members seeking unanimous consent to address the House by alternating recogni-

tion from side to side where Members are absent.

Mr. OWENS. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

STUDENT FINANCIAL AID

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Ms. PELOSI] is recognized for 5 minutes.

Ms. PELOSI. Mr. Speaker, on Friday, March 31, two colleagues of mine, Representative GEORGE MILLER and Representative ANNA ESHOO and I did something that the leadership of this body does not want to do.

We held a hearing on the impact of the proposals by the Republican majority to cut the present system of Federal student financial aid.

We held a hearing to educate the public about these stealth proposals which would terminate investments in education to fund tax cuts for the wealthy.

We held a hearing in order that Congress may hear from the students, parents, and administrators who would be affected by these proposals.

We held a hearing because the Republican majority of this body does not want people to know the full impact of the Draconian budget slashing that the Republican majority needs to pay for their tax cut for the wealthy.

This body has passed legislation already, Mr. Speaker, which was proposed by the Republican majority which will rescind nearly \$200 million from our fiscal year 1995 student aid programs. This body will take up legislation later this week which would set in motion a series of budget cuts which will terminate what remains of it by enacting the largest tax giveaway to the rich that we have seen in recent memories.

What does the Republican majority propose?

They are proposing the elimination of the deferred interest of Stafford and Perkins loans programs which enables students to obtain loans without having to pay interest during the time they are in school.

The Republican majority is proposing eliminating campus-based programs such as college work-study which provides not only a job to help pay for an education but a job with purpose and meaning.

The Republican majority is proposing eliminating the supplemental educational opportunity grant which goes to help the most needy students for whom a Pell grant is not enough.

The Republican majority is proposing passing on to students, families, and administrators over a quarter of a billion dollars a year in increased educational costs just to the people of California. For our freshmen coming in this year, this coming year, this is a \$1 billion fee hike over the course of their education for 4 years that families, students, and schools must absorb.

In my congressional district, nearly 16,000 students would lost their Staf-

ford loan benefits at an increased cost of over \$11 million. Nearly 7,000 students would lose their supplemental education opportunity grants, an annual loss of \$2.3 million for those families.

Two thousand three hundred students in San Francisco would lose college work-study. And the majority, the Republican majority, would hand them a bill of \$2.5 million to make. All told, just for the students, families, and administrators in San Francisco, over \$17 million annually in costs would be passed back to the students, with no expectation on how those millions would be made up.

But the most telling points, the most poignant testimony, the most powerful arguments against this upside-down policy came from those who would be directly affected by those proposals.

We had an extraordinary panel of seven students and parents. The students were hard-working young men and women, bright, intelligent future leaders of our country and their parents who work hard and sacrifice to give their children every advantage, an education.

Here are some of their voices.

One senior at San Francisco State University testified. His name was Michael Rodriguez. Michael is 27, born and raised in San Francisco, and was a Marine for 9 years. He was assigned to both the Panama invasion and Operation Desert Storm and participated in the liberation of Kuwait.

During his combat assignment he was filling out his application and financial aid forms for San Francisco State. Here is what he had to say. Here is what Michael Rodriguez had to say:

For me, financial aid has allowed me to achieve my goals, for which I am thankful. I give thanks every day that programs like financial aid exist for students like myself. Students are cutting their time at school in half so they can work full-time in order to support themselves as financial aid money is becoming scarce. Financial aid, in my opinion, creates a win-win situation. Financial aid is capital investment for the future.

Diana Summy Hunt, a student at the University of San Francisco, said this about work-study: "This program has permitted me to work on campus at the financial aid office as a receptionist and file clerk. On the average, I work 18 hours per week, which allows me to pay for my books and supplies, not to mention it has also given me a variety of job experiences."

"It is not easy," she said, "juggling classes and a job. College work-study enables me to do both. If these programs were eliminated, I can honestly say that I have no idea where I will find these funds. My mother's and my finances are already stretched. What will people do to better themselves if education is out of the question?"

Perhaps one of the most heartfelt testimonials came from Ronelle Garibaldi, a member of a two-income family whose son, Michael, also attends

the University of San Francisco. She said:

Our children's education has been a family project. We all contribute as much as possible.

Our second son, who was also accepted here at the University, is instead attending a community college until his brother finishes here to help defer costs. We feel there are no extras in our life we can eliminate. However, because we believe so strongly in higher education, the sacrifices go almost unnoticed.

Mr. Speaker, I urge our colleagues to reject any of the ill-conceived proposals made by the Republican majority to eliminate this opportunity for higher education for our young people and thus weaken our country.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1271, FAMILY PRIVACY PROTECTION ACT OF 1995

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 104-97) on the resolution (H. Res. 125) providing for the consideration of the bill (H.R. 1271) to provide protection for family privacy, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 660, HOUSING FOR OLDER PERSONS ACT OF 1995

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 104-98) on the resolution (H. Res. 126) providing for the consideration of the bill (H.R. 660) to amend the Fair Housing Act to modify the exemption from certain familial status discrimination prohibitions granted to housing for older persons, which was referred to the House Calendar and ordered to be printed.

□ 1830

ANOTHER JEWEL FOR MR. MURDOCH

The SPEAKER pro tempore (Mr. KINGSTON). Under a previous order of the House, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, I must say I rise tonight, and I am very saddened by what we now know happened last week. We know that we are going to be taking up the tax bill this week, but last week we took up a bill that we thought we knew what was in. We thought it was closing loopholes. We thought that it was going to shut off tax breaks to owners who were selling their broadcast stations or whatever to minorities, the infamous Viacom issue.

And today we now learn that tucked away in there was a nice \$63 million jewel for none other than Rupert Murdoch and, of course, Mr. Murdoch also happens to be the publisher of the Speaker's infamous book. Could there

be a connect-the-dots here? I do not know. Everybody is saying "Couldn't possibly be."

But I must say, as a Member of the House, I really feel we were all hoodwinked, because this did not come up in the House at all. It came up in the Senate, and apparently the Senate yielded, or the House yielded to the Senate in conference on this. None of us were told about this, and this was slipped in.

I was fascinated to read in the press reports this weekend that people were blaming Senator CAROL MOSELEY-BRAUN for this, and I love her quote in the press. She said, "If I had one bit, one iota of the leverage the Speaker said I do, then I would have kept the tax incentives for everybody," because Senator BRAUN has made it very clear she approves of these kind of tax incentives.

So is it not interesting that the tax incentives went down for every other person, every other person, group, or entity except Mr. Murdoch? Now, I suppose this could be just how the stars align, but we all know his long, longstanding tradition of having a book done by Margaret Thatcher when he needed things in the British Parliament, and, of course, he also published Ding Mao Mao's book in China when he was trying to get his broadcast license in there that we have been reading about even more this week, and I just think it is really time we blow the whistle on this kind of special-interest legislation.

Somebody who has got a crown like he has got does not need any more crown jewels, not at a time we are killing school lunches, threatening student loans, zeroing out summer jobs, taking on Big Bird and everything else. Why does he get this huge, wonderful jewel?

Mr. MILLER of California. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I am happy to yield to the gentleman from California.

Mr. MILLER of California. I thank the gentlewoman for yielding.

I want to associate myself with her remarks.

This is simply an outrageous misuse of the public trust to have this item slipped into a conference committee with no notification of the House Members that this matter was in the conference bill, in fact, the appearance of deliberately keeping it from the House Members so this could be voice-voted on the floor last week when Members were concerned with the deductibility of the health care insurance for the self-employed, and then to find out that what we have in here is the most special of special deals for one person when the chairman of the Committee on Ways and Means and others strenuously objected to this kind of matter being brought forward, turned down amendments to try to make some rules that would apply to everybody across the board, now find out the 17 or 18 other similar deals were turned down, but the one for Rupert Murdoch, the

one involving the Speaker, was now somehow felt into this legislation.

We started out the 100 days with a book contract with Rupert Murdoch. Now we are ending it with all of the speculation about what that meant, and now, of course, the speculation is no longer speculation. Now we have the concrete treatment of Mr. Murdoch differently than anyone else in the United States at the behest of the leadership—

Mrs. SCHROEDER. Absolutely.

Mr. MILLER of California. In the House and the Senate.

I want to thank the gentlewoman for raising this issue.

Mrs. SCHROEDER. I thank the gentleman from California for bringing it up, because I really feel the Members were also led astray. Members on the conference committee on our side did not know this was happening, and I find it also amazing Mr. Murdoch stands there and with a straight face says, at least through his spokesman, he did not know about this; he did not seek it; and he did not particularly want it.

So I would say he ought to give it back. He ought to give it back.

Mr. MILLER of California. Since Mr. Murdoch is as successful as he is, when you consider all of the things that he has denied knowledge of that affect his business interests, over the last 100 days, but yet somehow he has tremendous success, and apparently it just falls on him.

Mrs. SCHROEDER. One of the other things I find really amazing is that he could be so successful, that this little \$63 million jewel could roll off the table, and he just did not even really have to pay much attention to it. It must be nice. Think of the school lunches it would buy and the student loans it would provide.

This is outrageous.

SETTING THE RECORD STRAIGHT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. ARCHER] is recognized for 5 minutes.

Mr. ARCHER. Mr. Speaker, I just happened to be walking through, and we should be accurate in what we say here on the floor of the House.

No. 1, the provision that was put into the health care deductibility for self-employed was engineered and pushed and implemented by CAROL MOSELEY-BRAUN from Chicago, a Democrat Senator, and made its way into the conference report as a result of her compelling arguments that this in effect was a preexisting contractual obligation, a binding contract that was made before the effective date.

So we should fully understand that the gentlewoman from Colorado and the gentleman from California are just ill-informed about this particular provision.

I am not here to defend Rupert Murdoch. I do not know him, and have nothing to do with him. But I will simply say this also: that the facts are that Rupert Murdoch gets no tax benefits out of this provision even though it was engineered by a Democrat Senator from Illinois and put in the bill by a Democrat Senator from Illinois. The benefit does not go to Rupert Murdoch. He gets no tax break out of this provision, and the facts should be presented to the American people rather than all of this continued rhetoric with all of the props of golden crowns and all of the other things that are emotionally presented to this House.

We should deal with the facts as they exist.

Mrs. SCHROEDER. Will the gentleman yield?

Mr. ARCHER. I am happy to yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Is the gentleman saying the stories then in the press are incorrect, because they say they are validated?

Mr. ARCHER. I have seen a lot of stories in the press that are inaccurate.

Mrs. SCHROEDER. Is this story incorrect?

Mr. ARCHER. Mr. Speaker, I reclaim my time.

The gentlewoman has a press report that she is holding up for the benefit of this House, and we all know that you cannot rely on the accuracy of press reports. They pick up on certain items that are presented to them, and then they are rapidly put into print. It does not mean they are accurate.

And in this case, the accuracy of the situation is as I stated, and I am not here to defend Rupert Murdoch. But I think the gentlewoman, the Senator from Illinois, who put this into the conference report certainly should be asked. I do not think she was trying to do any sort of a favor for Rupert Murdoch, and as she presented it, she was not trying to give a special favor to anybody, but simply to say that the binding-contract rule to prevent retroactivity should apply with a certainty to this particular transaction.

If this had not been a binding contract, there is no question in my mind that it would never have been embraced in the Senate offer and would never have gotten into the conference report. But it is also very, very important to know that this has absolutely nothing to do with the tax bill and spending reduction bill that will be coming on the floor of this House this week.

So I just wanted to be here to set the record straight on this issue.

FURTHER SETTING THE RECORD STRAIGHT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute.)

Mrs. SCHROEDER. Mr. Speaker, I just wanted to say that my point was, No. 1, Members did not know that the

House had yielded to the Senate on this issue when this bill came to the floor. This was portrayed as a bill in which we were trying to help people get their tax credit back for health care. That is what we were told about.

We were told this was done away with across the board. We were not told there was one special little loophole, oops.

Now, I do not know if the press report is correct or not, but it says it was verified by six Republican staffers. So that is quite a few.

Maybe they were all wrong. I do not know. I am not on the committee.

But as a Member of this House, I resent it when we have a conference report come back with a goodie in it and we are not told about it.

Mr. MILLER of California. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I am happy to yield to the gentleman from California.

Mr. MILLER of California. Mr. Speaker, the whole point of the provision of the Ways and Means bill was to cancel these business deals, to cancel them retroactively, and Rupert Murdoch was able to hold on to his deal, and nobody else was, and those are the facts. Those may not be the facts the gentleman from Texas likes, but those are the facts.

THE FACTS ABOUT HAITI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 5 minutes.

Mr. OWENS. Mr. Speaker, last Friday, on March 31, President Clinton and President Jean-Bertrand Aristide and the Secretary General of the United Nations presided over ceremonies in Haiti for the transition from the multinational force led by the United States to the U.N. force. It was an impressive ceremony where the nations of the world, many contingents of the nations of the world, agreed to submit and march under the U.N. banner in order to continue the progress in Haiti toward democracy.

In the United States, this historic landmark received only moderate attention, but throughout the world and the international community, where most of the people of this planet live in underdeveloped nations, there was great rejoicing. I think that this was a special occasion where a new and special high standard was set for the new world order. A model for protecting democracy has been set in place as we go into the new world order.

The U.S. Government also has given new meaning to the concept of superpower. The U.S. superpower was used in this case to nurture democracy. The U.S. superpower was used to give the poorest nation in this hemisphere an opportunity to be born again. The U.S. superpower has demonstrated unmatched generosity and compassion. This is a superpower that has earned the right to prosper for a thousand

years. This is a superpower that all Americans should fight to maintain.

The hard job has been done. The great risks have been taken. It took a lot of guts by President Clinton to make unpopular decisions. Troops went into Haiti at great risk, anticipating great risk at first, but the decision was made despite that, and we have moved the situation with almost no casualties. The great risks have been taken.

But now a very important part of the job remains, and that is to help Haiti through a period of economic development. The nations of the world have made a commitment in Paris several months ago; nearly \$1.9 billion was committed to various activities to improve the Haitian economy, to jump start the economy until the private sector could take over.

It is unfortunate that despite the fact that this decision was made several months ago, almost no dollars have flowed to Haiti. The bureaucrats of the world, the bureaucrats in the various financial world organizations have moved at such a slow pace that they are tending to smother the greatness of this magnificent international deed.

I would like to quote from Strobe Talbott's report to the Congress some time ago:

For its part, the international community is doing its fair share by providing aid and technical assistance. Prior to the deployment of the multinational force, international donors and lenders met in Paris in August and determined that Haiti would need \$650 million in the first year after democracy was restored. This group met again in Paris last month to review the progress that has been made since President Aristide's return, and the general assessment of this progress was so positive that the donors actually pledged \$1.2 billion, nearly double what had originally been proposed. It is anticipated that \$900 million of that \$1.2 billion will be available over the next 12 to 18 months.

That was anticipated several months ago, but it has not happened. The bureaucrats are not moving the paper. The bureaucrats, because of their indifference or maybe laziness, what ever, the bureaucrats are threatening to smother the progress toward reestablishment of democracy in Haiti.

Troops have been there. Hard political decisions have been made. All has been put in place, but very little is happening.

I think Mr. Strobe Talbott again summed up the situation very well:

Mr. Chairman, the best defense of our Haiti policy is a simple one: We intervened in Haiti because it was in our national interest. We intervened after every other alternative had been exhausted, and we intervened because it was the right thing to do. Mr. Chairman, the American intervention in Haiti has been successful thus far. Now we must see the job through, and that means until the completion of the United Nations mission 12 months from now. As I have already stressed, we cannot solve Haiti's basic problems. The Haitian people must solve it themselves. But they will do it with the help of the international community.

It would be unwise, most unfortunate, if the international community's bureaucrats, executives, failed to do their job at this point.

Let us move the paper. Let us do the job. Let us complete the job of restoring Haiti's democracy. Let us do what is necessary to rebuild the economy of Haiti.

□ 1845

BALANCING OUR BUDGETS IN A POSITIVE MANNER

The SPEAKER pro tempore (Mr. KINGSTON). Under a previous order of the House, the gentleman from Florida [Mr. SCARBOROUGH] is recognized for 5 minutes.

Mr. SCARBOROUGH. Mr. Speaker, this week as we start talking about the very important tax debate and the budget debate, I am looking forward to hearing positive discussions on where we move this country over the next 5, 10, 15 years, to see if we will finally come to grips with the economic uncertainties and try to balance our budgets and at the same time try to move forward in a positive manner to make sure we put money back into the pockets of middle-class, working Americans who for too long had seen their money sucked up in Washington and they see absolutely no return for their money.

Unfortunately, instead of this afternoon of hearing discussions along those lines, we have heard that the Republicans have killed school lunch programs, we have heard that the Republicans have killed Big Bird, we have heard that the Republicans are slashing education funding.

Well, let me tell you something: All three of those facts are simply misrepresentations, and they are wrong.

First of all, you are not cutting spending on a bureaucratic program if you spend more money next year than you spent the previous year. Take, for instance, funding for school lunch programs. Over the next 4 years, under the current proposals that passed through this House, we will be spending more money on school lunch programs than we spent in the previous year. Maybe in Washington there is some sort of new math that I do not understand. I am a freshman here. Maybe I am a little shrill, I do not know. The fact of the matter is if you spend more money next year than you spent last year, in middle-class America, where I come from, or in small businesses across the country where I worked, that is called a spending increase. Let us reframe the debate and let us get serious about it.

When you come to the floor and talk about killing Big Bird, when the fact of the matter is the Republican majority voted against killing Big Bird, so to speak, when the Crane amendment was on the floor, then you are not killing Big Bird.

The fact of the matter is it is more Washington-speak, more emotional dribble that is supposed to inflame people and get everybody excited and

aroused in the debate, to give this false impression that we are cutting all these spending programs.

I am humored by calls out there where the question is asked, "Do you believe Republicans are cutting too much?" Some people are saying "yes" because of the debate we are hearing on the floor. The fact of the matter is we have not cut anything yet. We have not gone far enough.

You take educational funding, for instance. We hear talks about how we are bold and cruel and going to be cutting education. Well, let me tell you something, you can be for children and you can be for education without being for a huge Federal educational bureaucracy that has wasted money over the past 20 years and provided little, few results.

Take the Department of Education bureaucracy in Washington, for instance. It was established in 1979. Most everybody understands that it was a payoff from Jimmy Carter to the teachers union, the NEA, to have their own Federal bureaucracy up here. But the fact of the matter is, if you look at the money that has been poured into that bureaucracy over the past 20 years and look at the results, you will see that our children are not getting the best bang for the buck. The fact of the matter is in the years since the Department of Education bureaucracy was established, test scores have gone down, violence in school has gone up, dropout rates have gone up and every other measure by which we measure our educational institutions have shot down.

Let us reframe the debate and say it this way: Because I care for children, because I care for education, I am going to be against blowing more money on a Federal educational bureaucracy, and I am going to allow parents and teachers and students and people in the individual communities to have more of the say-so over how we teach our children than a bureaucrat in Washington.

While we are at it, we can reframe the debate on all these other Federal agencies that have exploded over the past 30 years since the Great Society. We have spent \$5 trillion on Lyndon Johnson's so-called war on poverty that ended up being a war on the family, ended up being a war on hard work, and a war on personal discipline, and so forth.

We have to reframe the debate and speak straight to the American people. We owe them that at the least.

REDUCING TAXES: THIS IS THE WEEK THAT WAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, after we finished this week, a lot of people are going to be saying, "This is the week that was." This is the week

that we are talking about reducing taxes.

You know, a year and a half ago this body increased taxes over the 5 years of the budget by \$25 billion. Economists have come to our budget committee and said tax increases are a depressant on economic growth and job growth.

So some of us thought that it would be good in the Contract With America to take away some of those giant tax increases from a year and a half ago. So the question was: How do we reduce some of those taxes in a way that is going to encourage economic growth, job growth in this country?

Well, I was looking at one bill that was concerned about what the United States was doing to encourage savings and investment as opposed to other countries of the world. Mr. Speaker, that is what this chart shows. I am not sure that everybody can see the chart, but let me just briefly go through the chart that shows that, compared to the other G-7 countries, the industrialized nations of this world, the United States ranks dead last in savings, we rank last in our investment in new machinery and equipment per worker, and, not surprisingly, we rank last in the increase of productivity.

So if we go to all of the economic thought that is prevailing now of what should be done to increase jobs, the suggestion is that we encourage savings and we encourage investment in that new machinery and equipment, that when it is put into the hands of those workers, it makes those workers more efficient, more productive, and ultimately increases our competitive position with the world.

That is why I introduced the bill, Neutral Cost Recovery, 2 years ago, to deal with the unfairness of the way our tax code treats those businesses that buy that machinery and equipment.

The legislation coming out in the tax bill that we are going to be considering for the next 3 days does essentially three things: It increases expensing. In other words, that amount of investment in capital machinery and equipment and facilities that is allowed to be deducted as an expense, as a business expense in the year of purchase, that is increased to \$35,000.

No. 2, that the remaining amount of that capital investment that is put on the depreciation schedule will be indexed for inflation and the time value of money. In other words, right now our Tax Code requires that you spread out toward the useful life of that property, 3, 5, 10, 15 years, that you spread out that deduction in what is called the depreciation schedule.

Neutral Cost Recovery indexes what you are otherwise allowed to depreciate for inflation.

The third element is something that has been very unfair to the businesses in this country; that is the alternative minimum tax.

So what we do to a business, when they figure up their tax and they have not made money that year, we again

say, "Well, we are going to penalize you anyway by making you recompute your depreciation schedule so it results in a lesser deduction."

So, AMP is also modified in this bill. It seems if we are concerned with increasing jobs in this country and if we are concerned with raising taxes on the American people, that it is appropriate we have the discussion this week. The \$189 billion over the 5 years of the budget that we are reducing taxes is small in comparison to the \$250 billion that were increased, raised on the working men and women and retirees and businesses 3 years ago by this Chamber.

So, Mr. Speaker, I hope everyone will tune into the discussion and decide whether or not it is going to help this country, whether it is going to allow hardworking Americans to keep some of their own money in their own pockets rather than give it to the Federal Government to spend, as we discuss, and ultimately pass this tax reduction bill this week.

H.R. 1215 RETURNS TAX MONEYS TO AMERICAN FAMILIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. TIAHRT] is recognized for 5 minutes.

Mr. TIAHRT. Mr. Speaker, this week we are going to see a clash of ideas once again as we have seen throughout the 100 days. This time it is going to be the big-government party that likes to take tax dollars and spend it at their whim versus the party of the people who give tax breaks to American families and others, like senior citizens.

During the 1992 Presidential campaign, our current President campaigned on the middle-income tax cut. Instead, what has occurred, last August we had the world's largest tax increase, which took money out of the pockets of American families.

H.R. 1215 is a bill that will return tax money to the families so they can spend it, because the party of the people believes that American families understand better how to spend their dollars than the Government.

Each time we lose \$1 to taxes, it is a loss of freedom. Many people across America, through higher taxes, have lost freedom, have lost the ability to spend money as they see fit.

H.R. 1215 will also help America's senior citizens. Last August, the party of big government cut social security by \$25 billion in the form of a tax increase. What this bill is going to do is restore that cut to Social Security. We are going to allow senior citizens to retain more of their income, allow them to meet their long-term health care needs, we are going to allow tax incentives to encourage individuals to purchase long-term health care insurance.

We are also going to move, in H.R. 1215, to help Americans save. We are going to do this through the American Dream Savings Account. It is an IRA-

type account that will allow families to contribute up to \$4,000 per year in these IRA accounts. These contributions are going to earn interest, and after they have been there for a 5-year period, we are going to allow those individuals to withdraw that money without penalty for first-time home purchasers, for post-secondary education expense withdrawals, education expenses, medical expenses. This is going to help those who have put away money to use it for a rainy day-type situation. Plus, it allows them to save for their retirement.

If you look at the free democracies across the world, you will find by comparison Americans save less than they should, percentage-wise. In Japan, for example, their savings are around 20 percent for average income. Here it is about 5 percent. This is a method of getting people around America to save money, put money away, and also put money into the capital stream to help create jobs.

Next thing we are going to do in H.R. 1215 is to help farmers and ranchers and those in the timber industry by allowing a 50 percent reduction in capital gains taxes, capital gains indexing, estate and gift taxes.

I want to tell you about one farmer I was very close to, my grandfather, J.W. Steele, who had a farm in South Dakota, and spent most of his time working very hard.

He used to tell me as a young boy that farmers were an interesting lot because they spent their whole life poor but they died rich. Sure enough, when he passed on to the next life, he died as a millionaire. His farm went through the estate tax, and my parents had to purchase that farm at the cost of approximately the price of a new farm because of the way land prices had gone up and down in that time frame. This is going to help people who are trying to keep the farms in their families, so that they can continue the tradition. It is going to help people. It is going to help ranchers to pass on what they have invested their entire lifetimes on.

□ 1900

Mr. Speaker, it will allow a situation where you are not just a millionaire for one day, but that you can go on, pass this on to your heirs. Also capital gains is very important when it comes to creating jobs.

An uncle of mine who lives in Mecklenburg, NC, one time told me, "How many who are poor hired you for a job," and I had to tell him, "No, no one has," because it is those who have capital that hire people for jobs.

So the capital gains tax reduction here is going to increase jobs here in America, and increasing jobs is what increases hope for America.

We found out for giving people free money that their self-esteem is reduced. You cannot have self-esteem without accomplishment, and you cannot have accomplishment without work, and it is always helpful to have

a job when you are going to work. So we are trying to restore hope in America by creating new jobs through capital gains reduction.

Mr. Speaker, I spoke with the majority leader, the gentleman from Texas [Mr. ARMEY]. He talked about the benefits of capital gains tax, and that 90 percent of the benefits go to the workers and only about 3.1 percent actually goes to people.

So I encourage my fellow Members of the House to pass H.R. 1215 and give America hope for the future.

FEDERAL STUDENT AID PROGRAMS TARGETED TO PAY FOR THE CONTRACT WITH AMERICA

The SPEAKER pro tempore. (Mr. KINGSTON). Under a previous order of the House, the gentleman from California [Mr. MILLER] is recognized for 5 minutes.

Mr. MILLER of California. Mr. Speaker, Members of the House, this past Friday the gentlewoman from San Francisco, CA [Ms. PELOSI] and the gentlewoman from the Palo Alto Valley south of San Francisco, CA [Ms. ESHOO] and myself held a hearing to listen to both school administrators, and parents and young people who are attending our university system, private university system, our public university system, the California State University system, and our community colleges, and who were doing so because of the availability of student loans and the interest subsidy that we provide on those student loans while young people are attending school and for a 6-month period after they graduate from school or cease to attend school before they start paying back those school loans. What we heard was a rather remarkable set of stories from young people and their parents, some young people on their own and some accompanied by their parents, telling us what their families are doing, are prepared to do and have done in the past to try and secure the opportunity of higher education, of a college education and degree, for their young people. They have made personal sacrifices in trying to obtain savings so that they can provide for their children. Many of them have refinanced their houses, gone into the workplace, worked extra hours, and yet still they do not have sufficient money to attend the State university system or the UC system, or our private universities, and, as a result of that, they have used the student loans that are made a part of the fabric of American society because of the Federal student loan program. Many of those students have also used the campus-based programs, work study programs, to provide additional moneys, and what we heard was the kind of sacrifices that hard-working American families of modest means in most instances are prepared to make so that their children will have, in some cases, a better education than their parents,

but certainly so they will have an opportunity to have that education so that they can participate to the fullest possible extent in American society, and certainly in the American economic system, and yet what we see in the illustrative list of cuts being proposed by the Republicans is what could cost California some \$266 million in student aid that otherwise would be flowing to those students.

Mr. Speaker, what we heard from the people testifying was in some instances this would mean that they could no longer continue school. Others would have to reduce the number of classes they take and try to increase the number of hours that they are already working today, which means they would have to be in school for a longer period of time and then borrow more money because they were in school for an extra semester or an extra quarter to achieve their degree. We heard from such individuals as May Wu who was at Stanford Law School. She said,

After I graduate, my monthly payments for school loans alone will be approximately \$1,000 . . . it would have been substantially higher, and therefore beyond my reach, if not for the availability of federally-subsidized low-interest loans.

Michael Rodriguez told us, as he filled out his application, he never knew that student loans existed. He was a 9-year veteran of the Marine Corps, and somebody told him while he was in Kuwait, while he was fighting in Desert Storm, that he filled out his application in the foxhole, and he says,

I give thanks every day that programs like financial aid exist for students like myself . . . Financial aid has become more important now than ever before as we face proposed [State] cuts in education.

For me, financial aid has allowed me to achieve my goals, for which I am thankful. Now, with one semester left before I graduate, I work with high school students so that they might be able to have chances that were afforded to me through the help of financial aid.

He is now telling other young people how they might secure a college education.

The parent of Michael Garibaldi, Ronelle Garibaldi, talked about what this meant to her family, how she and her husband sat around the table and tried to work out the finances so that their son could continue in school. She said,

We hold our breath until the envelope comes with Michael's award package and don't start breathing again until we've sat down with paper and pencil to once again determine if he can return in the fall.

I am often told I have a passion for financial aid. While that is true, it goes much deeper than that. Actually, I am a mother with a passion for opportunity for a higher education for my children, as well as all children.

That is what is at risk with the proposals by the Republicans to slash student loans so they can give tax breaks to people earning over \$100,000 who do not necessarily need it and certainly give no indication that they want it when they understand this is the kind

of penalty that is paid by America's young people and families.

WE NEED TO CUT TAXES FOR THE AMERICAN FAMILY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. CHABOT] is recognized for 5 minutes.

Mr. CHABOT. Mr. Speaker, the minority leader, a Democrat, made an interesting statement the other day. Referring to the tax cut bill that we will consider this week he said, "This issue," meaning taxes, "may be the best expression of the differences between the parties," and you know he is probably right. Republicans understand that the American people are overtaxed. We Republicans understand that the tax burden that the Government imposes on families and on senior citizens is becoming simply intolerable. We understand, and we are taking a first step to reduce that burden, to reduce taxes. That is a big difference from the last Congress when the Democrats were in charge, when President Clinton was able to ram through the biggest tax increase in American history.

Well, there is a new majority here now, and I say, "You're right, Mr. Minority Leader." This new majority leader does seek to cut taxes. We are tired of seeing our Government throwing money around and expecting working families to pick up the tab.

The most devastating change in the Federal tax system over my lifetime has been that Government has shifted the tax burden so heavily onto the backs of working families. The tax code now discriminates against families. It penalizes marriage, and it burdens parents trying to care for their own children.

In fact, during my lifetime, and I'm 41 years old—actually 42 now—the Federal income tax burden on a family of four has increased by over 300 percent as a share of family income. That is outrageous. It threatens the very foundation of the American dream. It denies opportunity to people trying to work their way up.

The Government has been imposing a hidden tax increase on families every year by holding down the exemption that parents can take for dependent children. Right now a lot of you at home are probably working on your income taxes or thinking about it, and you probably know, in looking at the taxes all this year, that you can claim \$2,450, almost \$2,500 per person in your family as an income tax exemption. Well, if that rate had gone up to match inflation, that exemption would now be \$8,000, \$8,000, and we can only claim \$2,450.

Mr. Speaker, that is just not fair, but, despite that fact, there are some in this body who would begrudge parents even a \$500 per child tax credit, and that is sad, and they call us mean spirited.

Well, we ought to remember that it is not our money. We are proposing allowing families to keep a little bit more of the money that they themselves earn. We should not act like it is a gift or a handout; it is not. It is simple fairness.

So, too, is the rollback we propose of the 1993 recordbreaking tax increase on senior citizens. Seniors were unfairly singled out for punitive treatment. We are going to undo that, and we are going to provide relief from the unwise earnings limit that insidiously taxes seniors who choose to continue working.

We are also going to reduce the marriage tax penalty. We have just been through a long debate over outdated welfare policies that tear families apart, and we voted for reform there. Let us reform the tax system's ridiculous marriage penalty as well.

Now opponents of tax reform who do not think that the American people are overtaxed argue that you cannot have take both tax relief and a balanced budget. Quite frankly, some of them do not seem to want either goal, judging from their votes, but I believe that we have got to send a message that Government just cannot continue to increase spending at the rate that it has. Government spending is out of control. That does not mean that taxes are too low. Quite the reverse. We just spend too much up here in Washington.

We also need to reduce capital gains taxes so that we can create more jobs. There are still a lot of people in this country who need jobs. If we cut capital gains taxes, that will mean more jobs for Americans. The old class-warfare arguments for keeping capital gains rates high will not wash anymore. Productive investment, whether in a home or in job-creating business is something that everyone should want to encourage, and nearly 60 percent of capital gains tax filers have adjusted gross incomes under \$50,000, so it is not just tax breaks for the wealthy.

So, please, let us not try to divide Americans up and pit one group against another anymore. We are all in this together, and, as a people, we are overtaxed. We need to cut taxes, we need to cut taxes on the American family, and we are going to do that this week.

AMERICANS WANT TAX CUTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. FOX] is recognized for 5 minutes.

Mr. FOX of Pennsylvania. I want to continue the remarks that were made by my colleague, the gentleman from Ohio [Mr. CHABOT]. I think he well elucidates the reasons we need to have the tax credits and the tax cuts adopted here in the House this week. You know, looking at what the American people want, Mr. Speaker, they want three things. They want to see tax cuts, spending cuts, and deficits reduction,

and under the Contract With America we can achieve all three. We have already earmarked \$180 billion for deficit reduction, we already earmarked \$190 billion for spending cuts, and this is according to the Congressional Budget Office, and the third is now we are dealing with the tax cuts. Let me just review, if I can, a few of those tax cuts we are speaking about in legislation this week which we think is going to be a positive step for all American families.

First, the family tax credit. Five hundred dollars tax credit for each child in a family; this will help families with their basic expenses. We also have the American dream savings accounts. By this we will have established a new savings vehicle where we will have on a joint return \$2,000 for each spouse and a tax deduction dealing with the IRA's, \$2,000 for each spouse.

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This will increase savings and encourage each family to have the nest egg they need in retirement. We are going to take care of our help for Senior citizens by repealing the tax increase on Social Security benefits. The 1993 increase in the amount of Social Security benefits which was subject to income taxation will be repealed. Also we will raise the Social Security earning limit from \$11,280 to \$30,000 phased in over 5 years. That will help many of our senior citizens who are independent and maintain a degree of income without impinging on their Social Security with their own fixed incomes.

Mr. Speaker, under this legislation we will have tax incentives for private long-term care insurance, allow tax-free withdrawals from IRA's for long-term care insurance. We will also provide capital gains relief for individuals by cutting in half the rate to 19 percent. This will encourage savings, business expansion, job creation. For businesses, a 25 percent alternative tax for capital gains.

We will also have in this legislation, Mr. Speaker, a taxpayer public debt check-off and trust fund. This bill will allow individual taxpayers to pay up to 10 percent of their tax liability to a public debt reduction trust fund. A tax credit for adoption expenses up to \$5,000. Tax credit for adoption expenses up to \$5,000. Tax credits for the home care of the elderly. All of these items will help all of our individuals. In addition, we even have special expensing for small businesses. The bill will increase the amount of property a small business can expense. This will encourage, again, more jobs in our society.

Mr. Speaker, we can have all three: Spending cuts, deficit reductions, and tax cuts which will help our families, help our businesses expand and produce higher, and will also help every single sector of our society do better and achieve the American dream.

FAIRNESS OF THE AMERICAN TAX RELIEF ACT OF 1995

The SPEAKER pro tempore (Mr. KINGSTON). Under a previous order of the House, the gentleman from Illinois [Mr. EWING] is recognized for 5 minutes.

Mr. EWING. Mr. Speaker, I come here tonight to visit about what my colleagues have been talking about, the very important business that we had before us this week, the American Tax Relief Act of 1995.

This is part of the Contract With America. It is a very important part in the last leg of our journey through the 100 days. The Contract With America was an effort to make improvements in our country and the way we operate its Government which will help protect the American dream. These elements of the contract should not have been partisan between the Republicans and the Democrats and I am thankful to say in many cases they have not been and we have received a number of supporters from the other side of the aisle.

But unfortunately now that we come to the end of the contract period, I believe the success of the contract has caused the other side of the aisle to say, "Can we block this final part of the contract, the American Tax Relief Act of 1995?" It should not be partisan either and we should put aside the rhetoric about tax relief for the rich. That is class warfare. What we want is a fair tax schedule for every American, not rich, not poor, for every American. I believe that the American Tax Relief Act of 1995 is that fairness.

We promised to bring it to a vote. Every Member will have an opportunity then to vote his conscience, so I would encourage bipartisan support for the rule to bring this bill to the floor.

Now, why do I say it is fair? Because it covers all spectrums of the American scene. Certainly it is the middle-class tax relief that the Clinton administration never brought to the Hill but promised in the campaign.

Why do I say that? The child credit certainly is very important to the middle class. The marriage penalty is very important to both spouses when they are working and trying to get ahead and improve their own American dream. Improving the IRA's for spouses and for working individuals. The adoption credit. The credit for families who take care of their own elderly members without expecting the State to pay for their care in nursing homes, and of course, repeal of the very unfair Social Security tax on middle-class senior citizens.

Mr. Speaker, we hear so much about capital gains. Ladies and gentlemen, capital gains is not a tax break for the rich, though they may use it. It is a tax option for all Americans. We have ample proof that capital gains is used by the "little people" in America, certainly as much or more than it is by people with more means. In fact, the returns show that nearly 60 percent of those who used the capital gains bene-

fit when it was available had incomes under \$50,000. The argument that it will cut into revenues is just not accurate if you base that on past history.

In fact, some years ago, CBO projected what would be the income level from the capital gains tax while we had a lower rate. Of course, we changed that and we are well below the projections of the CBO for revenues generated by the capital gains tax. In fact, if you look at the chart over a long period of time, you will see that capital gains revenues from assets sold, put back into the economy, have gone up when the rate is low and gone down when it is raised.

We need to address the capital gains tax along with the rest of it. We need to get away from the partisan rhetoric about capital gains tax being for the rich.

I take exception to that. I would insist that every Member go back to his district and check with his people, and I think he will get the right answer. Encourage support for the American Tax Relief Act of 1995.

TAX RELIEF BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. BARTLETT] is recognized for 5 minutes.

Mr. BARTLETT of Maryland. Mr. Speaker, this week we vote on the most important part of our Contract With America.

In the last Congress, the largest tax bill in the history of this country was passed; and, in typical form, it was mislabeled and called a deficit reduction package. Six times, at least six times in our history, we have tried to reduce the deficit by increasing taxes. It did not work any of those six times, and it may not work now. Only a few of those tax increases have kicked in, and we are already beginning to see the deleterious effects of these high taxes.

We will be voting this week on our tax relief bill. This tax relief bill will do two things: It will provide some relief from Clinton's tax increases. It will permit our hard-working people to keep more of their own money. And it will reduce the deficit.

When you leave money in the private sector, it creates more and better jobs than when it is taken into the public sector. And in spite of a tax decrease rate the increased tax base inevitably will yield greater tax revenues. So this is truly an important part of our deficit reduction plan.

Tonight, I would like to spend just a moment looking at what we are going to do for senior citizens.

In the Clinton largest-tax-increase-in-history bill, our senior citizens have been limited to earning just \$11,200, after which time their Social Security benefits are cut. If a senior citizen has a job earning \$5 an hour, for that \$5, he gets to keep only \$2.20.

This is a higher tax rate than is levied on our multibillionaires. Ross

Perot pays less taxes, a smaller percent of taxes, than do our senior citizens who choose to work beyond this very low \$11,200 cap.

Our bill will raise that tax over a few years from \$11,200 to \$30,000. This whole bill is fair and responsible, and our senior citizens know.

THE \$64 BILLION QUESTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. STUPAK] is recognized for 5 minutes.

Mr. STUPAK. Mr. Speaker, when I was growing up as a young kid in northern Michigan, we used to have a saying, and I think it was a popular TV program, that the \$64,000 question, the \$64,000 question is, and part of that game show was if you got it right you would get \$64,000. That was the big question back then, and that was the question that everyone wanted to answer because it was the epitome of all questions. And if you would answer that, you would be so much further ahead.

This \$64,000 question used to be the ultimate question. But I guess in today's terminology and now in the 1990's it was the mother of all questions.

Mr. Speaker, the \$64,000 question has now grown with inflation and all to a \$63 million question, a \$63 million question, a question that we must have an answer to. It is a question that America needs an answer to. It is a question that this institution as an institution needs an answer to.

The \$63 million question is whether or not the President will veto H.R. 381, the bill which amends the IRS Tax Code to permanently extend the deduction for health insurance costs of self-employed individuals.

Well, I agree with that provision. I think probably most Members in this House would agree with that provision. I agree that the intent of the bill, H.R. 381, was to permanently extend the deduction for health insurance costs for self-employed individuals.

But in that bill that was voted on last Thursday, which most Members on this side of the aisle, Democratic Members, voted no, there was a \$63 million question. Because in there was a \$63 million deal for one self-employed individual named Rupert Murdoch.

Now, I do not know if Mr. Murdoch does or does not need the 25 percent deduction for his health insurance, as was the original intent of H.R. 381. For I believe that probably one of his companies probably picks up his health insurance. But I will not give him the \$63 million special exemption allowed to only him and only to his company under H.R. 381.

You see, H.R. 381 not only permanently extends the deduction for health insurance costs for self-employed individuals but it also repeals the provision of nonrecognition of gain. It repeals the capital gains tax if you sell your FCC license, Federal communication

license or a TV or radio station to a minority-owned company. If you did that, you did not have to pay the capital gains tax. We had a big hoopla about that because of the Viacom deal.

So in this bill we went back. We were going to correct all that. We were not going to give special tax breaks to minorities anymore in capital gains. And that was found in H.R. 381, and we repealed that special tax break.

Many of the people, I am sure, listening in this audience said that was a good provision. But is it good that only one person or one company gets a \$63 million tax break? Why is this special tax break repealed for everyone, repealed for every company except Mr. Murdoch? A \$63 million tax break for one individual and his company by specifically exempting that company and that deal under H.R. 381.

I well remember Mr. Murdoch. That is not the first time his name has come up in this esteemed body. His company gave the Speaker a \$4.5 million book deal. Now Mr. Murdoch gets a \$63 million special tax deal. He pays no capital gains tax for this and his company under the profit or from sale of his corporation, a capital gains tax that was to help but one person who, if my memory serves me correct, that individual is not even a citizen of this country. yet Mr. Murdoch and his country gets a huge tax break. Why another \$63 million deal?

Mr. President, I hope you veto this bill. In your veto message I hope you will tell Mr. Murdoch there is no special deals in this body, in the House. Tell Mr. GINGRICH there is no special deal for owners of companies that give special deals on books. Tell them no special tax cuts to individuals who are not citizens of this country.

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DEBATE ON TAX PLAN PROVISIONS

The SPEAKER pro tempore (Mr. KINGSTON). Under a previous order of the House, the gentleman from Ohio [Mr. HOKE] is recognized for 5 minutes.

Mr. HOKE. Mr. Speaker, I wonder if the distinguished gentleman, since it is on my time, would answer one question. Who was it that insisted at the conference that this sweetheart deal for Murdoch be placed in the conference report? Who was the individual that did that?

Mr. STUPAK. Mr. HOKE, I am not part of the conference committee.

Mr. HOKE. Do you know the answer?

Mr. STUPAK. No, I do not.

Mr. HOKE. I know the answer. The answer is the junior Senator from Illinois, the Democrat, Ms. MOSELEY-BRAUN. She is the one that insisted on it. She is the one that asked it be put in the conference report.

Mr. STUPAK. If the gentleman will yield, I know you have read the same articles I have on the \$63 million deal from Mr. Murdoch. When that question was put to the junior Senator from Illi-

nois, what did she say? What did she say? If I had my way, we would never repeal the exemption for minority-owned stations, and that junior Senator is a minority, because she thinks it is wrong. She opposed it.

Mr. HOKE. Reclaiming my time, that does not answer the question. The question is who put it into the conference report? Clearly it was the junior Senator from Illinois. And your attempt to somehow smear this Speaker on this, when the Speaker had absolutely nothing, nothing whatsoever to do with this, is such a blatant and ugly and clearly politically, partisanly motivated ploy, I do not understand why you make it, when it is so transparent, when it is pointed out that the Speaker had nothing to do with it.

The Speaker was not involved with the conference. As I understand it, this is something that was put in the conference report by the junior Senator, a Democrat Senator, from Illinois, with respect to a specific request that was made to her, not even by, as I understand it, Rupert Murdoch, but by Quincy Jones. Have I got the facts wrong?

Mr. BONIOR. If the gentleman will yield, let me shed a little light on this. You are indeed correct that this was put in the conference and was put in at the behest of the Senator from Illinois to take care of a deal that was pending. But what you are not correct on is that there were 18 deals pending, and this was the only one that was accepted.

Now, you know as well as I do, my friend from Ohio, that in order for something to come to this floor to be discussed, it has got to get the Speaker's approval. The Speaker, I believe, admitted today in a conference he had with reporters that he met with Congressman ARCHER, the chairman of the Committee on Ways and Means, and they talked about this very issue. And they agreed to let it come to the floor. Nobody in this institution knew it was in the bill, except maybe a handful of people. It got out of here on a voice vote after we opposed the bill when it came to the House floor because of the billionaire exemption it had in it, and nobody knew here. That is not the way to do business.

Mr. HOKE. Reclaiming my time, the fact is that the Speaker had nothing to do with this piece of legislation in its minutiae and in the detail you are speaking of with respect to a specific request that the Democrat Senator from Illinois, Ms. MOSELEY-BRAUN, wished to have made in order and insisted on at conference.

Those are the facts. Whether or not Mr. ARCHER and Mr. GINGRICH discussed the bill in general and in its terms is hardly the issue. The issue is who insisted that this be put in at conference. Obviously it was not Mr. ARCHER.

Mr. BONIOR. Who insisted it stay in this bill?

Mr. HOKE. This is my time. It was not Mr. ARCHER, it was not Mr. GINGRICH, it was Ms. MOSELEY-BRAUN. It

was not something that our side wanted anything to do with. It was special legislation for the junior Senator from Illinois.

Mr. Speaker, what I was going to ask was for people to put on their green eye shade so that I could go through some of the details of exactly how we are going to reduce the tax burden for senior citizens. Unfortunately, I will not have time to do that.

What I will say is we are going to on Wednesday restore the \$25 billion in cuts that were made in Social Security, cuts to senior citizens by this Congress. Not a single Republican voted in favor of those cuts in August of 1993, and we are going to restore those cuts so that senior citizens are not deprived of their Social Security benefits that were deprived to them by the Democrat Members of the House and of the Senate.

A TAX CUT OR A TAX INCREASE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. WYNN] is recognized for 5 minutes.

Mr. WYNN. Mr. Speaker, I rise this evening to join the fray in the debate about the tax increase that we are about to vote on this week. I am very concerned about the issue of tax fairness. I think what we have seen over the past couple of weeks is a consistent pattern wherein the Republican majority has consistently stolen from the poor to give to the rich. This is not an issue of whether there ought to be tax break for middle class, working poor people in America, because that is not what there tax break does. It goes to people who make as much as \$200,000 a year, and I think that is wrong.

This was dramatically illustrated when we analyzed the proposal to cut the school lunch program, and the Republicans suggested we will cut the school lunch program, we will underfund it in comparison to anticipate needs, we will not adjust for inflation, so we can cut money out of this program to help fund the tax cut.

It is evident in the attempts to cut the college scholarship program. Once again, taking from the middle class, the working class, in order to fund tax increases that benefit people who make up to \$200,000 a year. It is my view that if there is going to be a tax break, it ought to be given to people who are making under \$100,000 a year, not the wealthy people, not the attorneys and the Congress people and people like that who do not need it.

Or, and there seems to be a lot of sentiment that this is what ought to be done, we ought to take that money and put it into deficit reduction. Even when I talk to some of the wealthy people who would get this tax break, and I say do you, making \$150,000 a year, want this \$500 per child tax break, or do you want to see this money go for deficit reduction? Overwhelmingly, the professionals, more

well off people, say Congressman, what we need to do is put this money into deficit reduction.

So it seems to me the Republicans are wrong on two accounts. They are wrong for taking money out of the mouths of children to fund a tax cut for the wealthy, and for not responding to the legitimate needs of the country, which is deficit reduction.

What I wanted to focus on today is yet another indictment of the Republican tax proposal in that it creates an additional tax on working people, a specific category of working people, Federal employees, I rise today to express my grave concern for several measures contained in H.R. 1327. I am concerned specifically about title IV of this measure.

While my colleagues on the other side of the aisle will tell you they are reducing the taxes for the American family, in actuality they are increasing taxes for some of our hardest working citizens, Federal workers. Under the proposal coming forth this week, 2 million people working for the Federal Government will be taxed an additional 2.5 percent of their income. This so-called contribution comes in the form of an additional contribution by these Federal employees toward their retirement. What this amounts to on average is a \$750 per year tax on the average Federal employee who makes \$30,000 a year.

Now, what I cannot understand is how they are going to receive on the one hand a \$500 per child tax break, but yet on the other hand lose in the form of an additional contribution, additional taxes toward their retirement, \$750 a year. They are going to be \$250 in the hole.

There may be some question in Republican minds as to whether this is a tax. Well, the Congressional Budget Office scored this as a revenue, which means it is in fact a tax. Apparently the CBO knows it is a tax, yet the chairmen of the Committee on the Budget and the Committee on Rules would not recognize this as being the case.

The proposal to increase the employee contribution is so ludicrous that even several Members of the Republican Party have stated should their party continue to pursue this proposed tax credit, they would vote against the measure.

Let me repeat, and urge my colleagues to listen carefully. This bill coming before the House tomorrow taxes Federal employees making \$30,000 a year to provide a tax credit for those making up to \$200,000 a year. Each Member of this House has Federal workers in their district. I hope you will stand up and tell them you are imposing a tax on them so you can give someone making \$200,000 a tax break.

As the saying goes, the devil is in the details, and this is certainly the case. The Federal contribution would be increased from 7.0 percent to 9.5 percent of salary in order to meet this require-

ment. This is an unusual situation because initially it was couched as a suggestion that there needed to be some sort of change in the system, that the retirement system was somehow flawed. But in fact a study by the Congressional Research Service indicated that there was no unfunded liability. So if it is not to solve unfunded liability, it can only be to round up money to provide tax benefits for the wealthy.

Mr. Speaker, I hope we will reject this ill-conceived recommendation.

FAMILY TAX RELIEF IMPORTANT FOR AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas [Mr. HUTCHINSON] is recognized for 5 minutes.

Mr. HUTCHINSON. Mr. Speaker, I welcome the opportunity to appear before the committee today to discuss the importance of family tax relief. Let me say at the outset, Mr. Speaker, how must I appreciate your personal commitment to the American family and your leadership in promoting legislation which strengthens and empowers American families.

The intact family is our country's most effective government—the most effective department of housing, the most effective department of education, the most effective department of human services, and the most effective department of labor.

The family is the fundamental unit of society, the guardian of our social fabric and primary conveyor of values. Yet it has been under attack by an unsympathetic government. We could not have devised more antifamily public policy—to the end of undermining the traditional American family—than if we had sat down and consciously designed such a plan.

We have taxed them until both parents have to work in the job market, regardless if one wishes to stay at home and rear the children. The average family of four now spends 38 percent of its income on taxes—more than it spends on food, clothing, housing and recreation combined.

We have allowed the value of the dependent exemption to erode over time until it is worth only a fraction of what it was 40 years ago. In effect we have said that children and families are of less value than they were in the last generation.

We have allowed a marriage penalty to exist in our tax law that sends the undeniable signal to our citizens that marriage isn't really all that important.

We have codified inequitable IRA tax provisions that say a spouse in the marketplace is more valuable to society than one in the home.

We have created a costly and bureaucratic adoption system that leaves thousands of adoptable children in less stable and secure environments than they could be enjoying.

And we have defended a welfare system that offers cash subsidies to unmarried teen-age mothers.

Why are we then surprised when family break-up becomes commonplace, dysfunctional families are routine and 1 out of 3 children born in America are born out of wedlock?

If it were a foreign government that had imposed these policies, it would be regarded as an act of war.

It is not too much to expect that government be the friend, not the foe, of the family. One critical step toward that goal is the passage of the \$500 per-child tax credit. Seventy-four percent of this tax relief would go to families with incomes under 75,000. It is progressive and would be worth a lot more to the guy with a lunch bucket than to the corporate executive in the country club dining room.

This \$500 per-child tax credit would shift power and money from Washington bureaucrats and return it to the moms and dads of middle America.

For a middle class family of four that \$1,000 could mean the difference in whether both parents have to work, it could mean the difference in whether health care premiums can be paid, it could mean clothing costs for an entire year, it could mean the down payment for the cost of a collage education or it could mean a trip to the pizza parlor once a week, but it should be the families' choice not ours.

Please remember family tax relief is not a new spending program, not a new entitlement, not a give away from the Government. It is simply allowing the American family to keep something that already belongs to them—more of their earned income. The time for family tax relief is now. Forty-five million American families making less than \$75,000 a year would receive meaningful relief from the heavy burden of taxation. The American family is tired of high sounding rhetoric and empty speeches about family values while policy makers kick them in the teeth again by saying "we can't afford it now." We can't afford not to do it now. Our national security is intertwined with family security. Strong and secure families mean a strong and secure society.

□ 1945

Mr. STUPAK. Mr. Speaker, will the gentleman yield?

Mr. HUTCHINSON. I am glad to yield to the gentleman from Michigan.

Mr. STUPAK. I just had a question, Mr. Speaker. In your statement you indicated that the person would be better off under your tax plan because he would have more money in his pocket. Yet how do you justify the gentleman with the lunch bucket paying Federal taxes, and yet your tax bill repealed the alternative minimum corporate tax, so the corporations do not have to pay their taxes? How would that help the gentleman with the lunch bucket?

Mr. HUTCHINSON. I am referring specifically to the \$500 tax provision, the tax break we offer for the children.

I think it is clear that someone in the middle and low income is going to benefit a lot more than someone eating in the corporate dining room.

Mr. STUPAK. I am asking about the corporate tax repeal.

A DEBATE ON THE ISSUES OF TAXES

The SPEAKER pro tempore (Mr. KINGSTON). There being no designee of the majority leader, under the Speaker's announced policy of January 4, 1995, the gentleman from Michigan [Mr. BONIOR] is recognized for 60 minutes as the designee of the minority leader.

Mr. BONIOR. Mr. Speaker, I would like to engage my friends, the gentleman from Michigan [Mr. STUPAK] and the gentleman from California [Mr. MILLER], in debate about this whole issue of taxes, because I think it is quite relevant. We are entering a very critical part of the 100 days.

I might say to my friends, the gentleman from California, the gentleman from Michigan, to answer that question, this tax bill is so weighted for those select few, the privileged few in our society, the ones who are most comfortable, that it is an absolute outrage.

The gentleman from Michigan [Mr. STUPAK] is absolutely right. The tax bill we will be discussing and voting on this week gets rid of the alternative minimum tax. What is that? I will tell you what that is. That is the tax that corporations, you know, the Fortune 500, the wealthiest corporations in the country, have to pay. The reason they have to pay it is because in the early 1980's, from 1981 to 1985, you had 130 out of the largest corporations in America pay no taxes for one of those years. They were not paying taxes. So, you know, we embarrassed them in this House to incorporate an alternative minimum, which Ronald Reagan finally accepted after harassing him for about 3 or 4 years. Now that the Republicans are back in power, they want to get rid of it.

In addition to that, the capital gains tax, and we are not opposed to a tax for entrepreneurs and investors, we just want to see it equally distributed. The proposal that the Republicans have on capital gains would give 80 percent, close to 80 percent of the benefits to those making over \$100,000 a year or more.

Basically, Mr. Speaker, if you are making \$20,000 or \$30,000 or \$40,000 or \$50,000 you will get maybe \$25 or \$26. If you are making over \$100,000 a year you get about \$1,100. The higher you go up in income, the more you are going to gain.

Of course, Mr. Speaker, the tax proposal in general is weighted heavily. Over 50 percent of the benefits go to those making over \$100,000 a year. That is why we are opposed to it, that and the deficit issue, but the inequity of it is so outrageous. I am not surprised that it is weighted that way, because

during this past week, we have seen two glaring examples of how my friends on this side of the aisle, with the exception of about a half a dozen of them who had the courage to stand up for these proposals, the Republican Party has supported proposals that would reward millionaires and in some instances billionaires from paying their taxes, avoiding paying taxes if they renounce their U.S. citizenship.

You say, "Gosh, would anybody do that? Would anybody actually have renounced their American citizenship?" Yes, they would. You have got about 12 to 24 people in this country who are playing that game. The cost to the U.S. taxpayers is about \$3.6 billion over a 10-year period, giving up their citizenship in an unpatriotic way, after having had this country defend them, defend their interests, defend their assets, and throwing it away so they could avoid paying their responsible share back to the people who worked for them, the men and women of this country.

We had a proposal to get rid of that provision, to make them pay their fair share. The people on this side of the aisle, with the exception of five people, voted to retain it, to keep it, to protect them. This was all in a bill that we passed here last Thursday, over our objections, because of this provision. It was a good bill. It provided a deduction for small business people under health care, 25 percent next year, 30 percent the following year. It could have been a little higher if we had gotten rid of that billionaire provision. We would have provided a little bit more for small business people.

Unbeknownst to us, Mr. Speaker, included in that bill, and not told to us or anybody on this floor, was a secret provision that was made known to the American public by the New York Daily News. It talked about some back-room dealings cut by House Republicans. Last week the House passed legislation that would allow tax deductions, as I said, for self-employed, and repeal the tax benefits for minority broadcasters.

However, hidden in that conference report was one special provision that would allow Rupert Murdoch to reap tens of millions of dollars in tax benefits.

Mr. Speaker, it is interesting, this 100 days started with Rupert Murdoch when he gave the Speaker a \$4.5 million book deal. You know what, it is ending with Rupert Murdoch getting tens of millions of dollars in tax benefits. What a shameful, shameful story.

In fact, according to the Sunday's New York Daily News, "Republicans dropped their opposition to the tax break after learning Murdoch was the beneficiary of the legislation, and consulting Gingrich, according to six sources involved in the negotiations."

In fact, according to an earlier New York Daily News story on Saturday, a Senate staffer is reported as saying

"The Republicans were going to kill the deal until they found out that Murdoch owned the station. Then they almost magically approved it."

Keep in mind, the Republicans claim they oppose this kind of tax break. In fact, the Speaker said he was against it in February. The gentleman from Texas [Mr. ARCHER] made a big deal about it when he brought this bill up. He almost made a crusade about it in the Committee on Ways and Means about killing these types of tax deals. But we have 17 other pending deals that were on the block that they scrapped, they got rid of. They refused to allow these deals to go forward.

The only case, the only case involving Rupert Murdoch's TV station in Atlanta was allowed to go through with a special tax break.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Speaker, that was the point the gentleman just made. While there was a great deal of controversy in the Committee on Ways and Means and on this floor about the fairness and extent to which the Tax Code should be used to sell these communications assets, it was clearly the intent of the Republicans to get rid of all of them, and when amendments were offered to make them fairer, to reduce the cost to the taxpayer, and to scrutinize them more than they have in the past, that was rejected, because all of these had to be killed.

Apparently when they got to conference committee, they went over an inventory of the impact of this amendment, that this would have. They found there were 17 or 18 or 19 deals that were in the works, that were in stages of completion, and would benefit from this tax provision, the sale of communications assets. They decided to kill them all until they got to one, until they got to the one that represented Rupert Murdoch. I think that is what is important to understand here. As the gentleman pointed out, this 100 days started with Rupert Murdoch making a very unusual gesture. That is, a book deal to the Speaker of the House that originally was going to pay him a \$4 million advance. The Speaker, to his credit, later turned that down, after the light of day was shown on that and people recognized the immediate conflict of interest.

The suggestion was that Mr. Murdoch really had no business of an unusual nature before this Congress, that there was no conflict of interest, and the Speaker had no ability to influence. Now we move those statements forward 87 days, and what do we find out? That Mr. Murdoch had specific legislation and matters before this Congress, it was brought to the attention of the Speaker, and the Speaker opened the gate for it to happen, because it was only through his willingness to allow this to happen, and ap-

parently some negotiations taking place in the back room, that this one provision, 1 out of 17, was allowed to go forward.

Mr. BONIOR. Mr. Speaker, not very many people knew about this. I did not know about it. I do not think anybody on our side of the aisle knew about it. It was done with the consent of two or three people on this side of the aisle, including the Speaker.

I might also point out to my friend, the gentleman from California, that the Speaker is beholden to Mr. Murdoch for the sale of his book. He did not take an advance, so, you know, he is beholden based upon royalties for the book. Mr. Rupert Murdoch, who is the owner of the publishing company, can basically, depending upon how hard he pushes for the sale of the book, determine how successful it will be.

The appearance of it is grotesque.

Mr. MILLER of California. It is not only the appearance now, today, afterward. It is what was put forth to the Members of this House. Members of this House thought they were voting on a good bill to allow for the deductibility of 25 percent of the health costs for individuals, for self-employed individuals, in this country, and yet what do they find out? That that bill was now gamed by the Speaker, for the interests of Mr. Murdoch, by the Senate, for the specific purposes of providing camouflage, so under the cover, without anyone knowing this, this provision could be written into law, and Mr. Murdoch could gain apparently what is around \$63 million of benefit.

The tragedy is that that \$63 million now comes out of the very hide of the deductibility, as you pointed out, between this and the billionaires' tax break that was in that bill, which we did know about and we did object to, and unfortunately, we could not get the Republicans on the other side to agree to, these people maybe could be allowed a deductibility of 30 percent of their health care costs, or 35 percent, for the billions of dollars that was put into this legislation, all under the guise that we are doing something nice for the self-employed, which everybody in the House agreed with. But they gamed that with the secret deal here for Mr. Murdoch, and one clearly has a very direct connection to the Speaker of the House of Representatives.

Mr. BONIOR. Now they are asking us to take their confidences and their word on a major, major tax bill that will benefit, as we said, primarily the very wealthiest, the privileged few in our society. Why would people want to do that, after having seen this last week two glaring examples of greed for the wealthiest people in our society, with the billionaire exemption, and now with this deal with Mr. Murdoch?

Mr. MILLER of California. If I could just say, Mr. Speaker, every day we start out the House of Representatives with the Pledge of Allegiance. Members of this House and our guests in the gallery, they pledge allegiance to the

United States of America. They do not pledge it until their taxes are too high, or until they want to save money. They pledge allegiance to the United States of America through thick and thin, through good and bad. They do not pledge it until their kid does not get into college. They do not pledge allegiance to the United States until their son or daughter gets drafted into the Army to fight an unpopular war. They pledge allegiance to the United States day in and day out.

Now we have a handful of billionaires that, for the sole purpose of avoiding taxes, are willing to renounce their American citizenship, and we are going to say "Give them the congressional stamp of approval."

It is absolutely outrageous that we would do that, considering the other patriotic Americans that have lost their lives pledging allegiance to the United States of America, that have lost their homes pledging allegiance, that have lost their children in wars, that have lost their spouses and their loved ones in wars in this country.

Now a handful of people decide that it is no longer to their advantage to pledge allegiance to the United States. They are going to leave the country for the sole purpose, this is the only way this can happen, for the sole purposes of avoiding taxation on their estates. It is an outrage.

Mr. BONIOR. It is an outrage, and it is an outrage that these two provisions on this good bill that would help small business people all over this country would be prostituted, prostituted by these two select provisions in this bill, one of which we did not know about it, the other of which we fought and we lost to the Republicans, that would protect billionaires, that would protect Mr. Murdoch and his deals.

I yield to the gentleman from Michigan.

□ 2000

Mr. STUPAK. It is only fair to our audience to let them know where we are now. This bill has gone through both the House and Senate and the conference reports, and we voted on it. It is now on its way to the President.

And one of the things I have asked for tonight and I hope others would join with me in urging the President to veto this whole bill, the bill that is on its way to his desk to allow that tax break for the self-employed individuals. We do not want to hurt that part of the bill. We want to kill the \$63 million deal that we see for Mr. Murdoch. But the only way we can kill that whole situation is ask for the President to veto that bill.

If he vetoes the bill, I would urge my support, I am sure the Democratic leadership would do the same, to bring a bill to permanently extend that self-insured business deduction expense for health care for working Americans.

Mr. BONIOR. Would you yield on that point?

Mr. STUPAK. Yes, I would.

Mr. BONIOR. If the President vetoes this bill, and I hope he will—if he vetoes this bill we will do another bill here, and we will do it quick because I know people on both sides of the aisle do not want those small business people, those self-employed people, to go without the 24 to 30 percent exemption for their health insurance.

And I would also predict to my friend from Michigan that the other side will not even try to override that veto. They would not have the guts, the nerve, the chutzpah to bring that bill back with those two provisions and try to convince the American people that this is the right policy for this country.

Mr. STUPAK. I would agree. I do not think there would be much intestinal fortitude to try to allow a \$63 million tax break for one company, for the benefit of one individual. Who pays for that but all of us, all the working men and women around this country.

But you know when we were talking a little bit earlier about the alternative minimum tax. We are going to have a tax bill up this week on the floor, and we are going to give tax breaks and tax breaks here and tax breaks there, but one of the most repulsive tax breaks is the repeal of the alternative minimum tax.

I know you started this special order tonight talking about that alternative corporate minimum tax, and you are talking about, before 1985, before 1986 really when the bill was signed into law, how corporations did not pay any taxes. And yet the person with the lunch bucket or the secretary or the clerk or the midnight watchman has to pay his Federal taxes. But corporations did not because they could afford the accountants, the lawyers to find the tax loopholes, and they would not have to pay any taxes.

You brought up, oh, about 130 companies that did not pay any taxes. I guess one of the most striking ones was Du Pont Corporation. Between 1982 and 1985 their pretax profits were \$3.8 billion—pretax profit, \$3.8 billion. You know how much they paid in taxes during those years?

Mr. BONIOR. How much?

Mr. STUPAK. Nothing. In fact, they supplemented their pretax profits by obtaining \$179 million in tax rebates, in tax rebates. I mean, \$3.8 billion, you do not pay any taxes. We turn around through tax loopholes and tax provisions, give Du Pont \$179 million in tax rebates.

They want to bring back that kind of tax system because they say it is good for American families when the secretary, the clerk, or the watchman is paying Federal taxes, but the corporation they work for that may have billions of dollars in profits do not have to pay any taxes. In fact, they can get a tax rebate.

So I know it is going to be a long week; it is going to have some intense battles, but these are the inequities that we are trying to correct to truly

help the middle class. And I do not consider the middle class Du Pont Corp. with \$3.8 billion, or some of these other large corporations that pay no taxes, yet the American people have to pay a minimum 20 percent tax on their wages to the Federal Government.

Mr. BONIOR. There are a lot of good corporations in this country, and they help in employment, they help the productivity of the country, they help the country grow, but they also have an obligation as well to participate in sharing in the burden of taxation so we can provide for this country. And when they do not do it, when, for instance, we subsidize the mining industry in this country with about a \$1.2 billion subsidy each year or the large irrigation industry in this country and others with subsidies, I mean, it hurts everybody in the business sector. It hurts large corporations, small people struggling in business. And all we are asking is that everybody participate in making sure that we have an equitable system.

And what we are getting out of the other side of the aisle, take it out on school lunches, take it out on elderly heating assistance, take it out on student loans. We are going to get a whole debate on student loans coming up here because they want to add for us in Michigan here the cost on the student loans will be about \$4,000 additional for the students in our State because they want to get rid of that interest subsidy, move that right up to the front instead of 6 months after you graduate. That is about a \$4,000 hit.

They are taking all of these savings from middle-income people. They put it in a little pot, and they move it over here, and they use it to pay for these tax cuts for the wealthiest in our society. And oh, yeah, they give some to middle-income people.

Let me give you an example what they give to middle-income people. Capital gains tax cut. You earn about \$50,000 a year. You get about \$26 back on an average. You earn \$200,000 a year, and you will get a cut of about \$11,266 under their tax plan. Where is the equity there?

Mr. STUPAK. You were talking a little bit about some of the things that have happened on this floor. We were talking with welfare and AFDC, aid for and to dependent children. Everyone gets all excited about that, but yet we have this corporate welfare, too, where it is aid for dependent corporations, AFDC as we call it in 1995.

And we do not mind helping out any corporations. And there are good corporations out there. We do not mind helping them out. But if you take this fiscal year and this tax year we are in, for every taxpayer in this country, we are giving corporate welfare out at the amount of \$1,388 for every individual. You know what we give for heating, for food stamps, for housing, for low-income folks?

Mr. BONIOR. How much?

Mr. STUPAK. \$450 for each taxpayer. It is three times greater for corporate welfare than it is for individuals.

And you mentioned student loans, which is part of this tax bill. The student loans, my university, Northern Michigan University, University of Northern Michigan, their tuition has gone up this year alone. It is proposed to go up 15 percent. Where are they going to get the money?

But yet we are going to let the corporations not pay any taxes. And that money to help out with our direct student loan, the interest on the loan, the Stafford grants—

Mr. BONIOR. Stafford loan, Perkins loan for the low interest, work-study.

Mr. STUPAK. Work-study, you are right. Where is it going to go? To help pay for this tax plan for the corporations.

Mr. MILLER of California. Would the gentleman yield?

Mr. BONIOR. Yes.

Mr. MILLER of California. I would like to say the gentleman from Michigan [Mr. STUPAK] makes a very important point. I think the people in this country have got to begin to focus on where is the money coming from to pay for this tax bill.

The money is coming from the people who need it the most in this country. We saw that in terms of the nutrition programs, where \$7 billion was taken out of nutrition for children, for the tax cut. We saw \$9 billion out of the interest subsidy that allows young people to stay in school and not start paying interest on those loans until they have the degree that allows them to get the job, almost \$20 billion in total out of student loans.

We also know that the money that they are talking about taking and giving back to the seniors was money that is now supporting the Medicare system. We know that there are additional cuts for Medicare. This is one of the greatest transferences of wealth from middle-income families, from working families, from families striving and sacrificing before they ever take a student loan to pay for the education of their children. To take money from these people and to transfer it to high-income individuals, most of whom when you talk to them they say if that is how it is done, then do not bother.

People making over \$200,000, over \$150,000, sure, they would like the money. But they say if that is the price, is that kids are not going to be able to go to school or not get a school lunch or these kinds of programs, they say I do not need it, put it on the deficit, lower interest rates, or leave it with the kids so they can get an education.

But what we see is all of this camouflage about middle-income people when, in fact, we see that we had a whole group of companies that never paid taxes up until 1988, and now they are going to relieve those companies of the alternative minimum tax. They

will go back to making billions of dollars and not paying any taxes, not paying their fair share. They are going to give capital gains to the highest-income people in the country, as you point out, middle-income people with capital gains, a very slight amount.

The point is that is why they do not want the cap is that this is a massive transfer from moneys that help people in this country achieve advancement and status and education and training to participate in the American economic system. And they are gathering up all of this money and they are going to transfer it this next week into the tax bill to go to high-income people.

Mr. BONIOR. And it is the same people that already have, are doing well. I mean, one of the most telling statistics that I have seen this year is the one that says, since 1979, 98 percent of the wealth and income—income increases in this country have gone to the top 20 percent of in this country. That means 80 percent of the folks are not going anywhere. They are standing still. They are losing ground.

Here we are, instead of trying to help those folks get into the game and be a full participant in this society, we are giving more to the top 20.

Mr. MILLER of California. Those are priorities. I mean, we have to, we are not wealthy enough. We are going to offer an incentive program for education, recognizing that families are struggling.

We heard testimony this last Friday out in San Francisco, Congresswoman ESHOO and Congresswoman PELOSI and myself, about families who were struggling far beyond the student loan debt. They have refinanced their houses. They have done everything they can.

So we are going to offer—the minority leader, Mr. GEPHARDT, is going to offer, allow them the deductibility of those education costs and those training costs for people who are going back to school so they can keep their jobs, allow them the deductibility on student loans, allow them to set up an educational IRA so they can start saving if they have very young children.

But we have enough money to do that, but we do not have enough money to do that and then to give away money to people who essentially right now do not need this kind of assistance because they are making very high incomes, in the top 1, 2, 3 percent of all the people in the country.

Mr. STUPAK. The other thing I think in this whole debate that is somewhat lost is this money, this tax shift, that we are seeing money go from the working class to the wealthier corporations and to wealthier individuals in this country. It is going to them. It is not going for deficit reduction. It is not going to reduce the National debt.

We are going to shift over 5 years like \$188 billion, and yet we have a \$176 billion deficit, \$4.7 trillion debt.

Why are we running around giving tax breaks to the wealthiest people and

the wealthiest corporations while we are deficit spending? Wouldn't the money be better served, couldn't we help out those corporations, couldn't we help out those individuals if we would, of course, put the money toward deficit reduction, which we could do more of?

You know, the logic is, is this the right time in this Nation's history to be giving tax breaks when we are running a deficit? Where are you going to get the money for the 188 other than taking it from the working class? But wouldn't we really be doing our kids a bigger favor if we brought down the deficit, the debt?

Mr. MILLER of California. The gentleman is quite correct. To borrow money, to give a \$500 credit to somebody making \$150,000 to \$200,000, you ought to see what the children are going to have to make to pay that money back over the next 25 years because we borrowed it from the Treasury now.

If we were flush, if we had a big stack of money in front of us and we had all of our bills paid, fine, then give a dividend to the shareholders of America, give a dividend to the taxpayers, let them participate.

But I assume when you go to your town hall meetings you are hearing what I am hearing. People are saying how can you borrow money to give a tax cut when you have the deficit? Pay down the deficit.

Because what do they remember? They remember after the President made those cuts, those \$500 billion, that interest rates went down. Their children for the first time were able to buy a house. They were able to refinance their houses from the high interest rates of the 1980's and saw the economy moving.

What were they presented with this last week? The home sales again are in the doldrums. The inventory is backing up. People cannot afford to enter the home market again as first-time buyers. That would be the benefit of the deficit reduction.

But they have chosen to provide, you know, hundreds of billions of dollars that they simply cannot pay for in any other way rather than just ravaging programs like student loans and child nutrition and a whole host of programs that help families provide a better life for their children, far in excess of the tax credit for the very wealthy.

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Mr. BONIOR. The tragedy in all of this, and if I could help bring it to a close, and I will yield to my friend from Michigan before I do, because I know my good friends from Texas are waiting, and I do not want to keep them much longer, and my friend from New Jersey is waiting as well.

You know, we started this conversation this evening when we talked about the inequity in the tax bill, and we started off by saying this hundred days was begun with Rupert Murdoch giving the Speaker a \$4.5 million book deal,

and it is really ending that way in the sense that the President has on his desk right now a bill that will provide Mr. Murdoch with tens of millions of dollars in tax breaks as a result of a provision that was put into the conference report on the tax bill that we have just had here in the House of Representatives that would have benefited small businessmen and their health insurance concerns.

And, you know, I cannot tell you how totally frustrated I certainly am, and millions of Americans, I think, join me in the frustration to see my friends on this side of the aisle help the millionaires and, in some instances, in this case, the billionaires reap these tax benefits at the expense of everybody else, and then more disturbing is the way it was done where no Members on this side of the aisle were aware of it.

I hope the President will stand up and veto this bill.

Mr. President, if you are listening, if you veto this bill, you are not going to have any trouble sustaining your veto in this House of Representatives. The Republicans would not dare, after your veto, to bring this bill back to the House floor with the billionaire provision and the millionaire writeoff provision for Rupert Murdoch and expect the American people to buy it.

It will have covered their 100 days in a way in which will bring disrepute upon their efforts, and so with that, I would yield finally to my friend, the gentleman from Michigan, to conclude, and I thank my colleague, the gentleman from California [Mr. MILLER], for his eloquence and his support of working families.

Mr. STUPAK. I believe the gentleman from Michigan [Mr. BONIOR] is right. You know, it was H.R. 831. I think I said 381, but it is H.R. 831, which was to amend the IRS Code to permanently extend the deduction for health insurance costs for self-employed individuals, something we all wanted to do. In order to get this bill through and get it passed by April 15, so people could take advantage of it, because it had expired, so they could take advantage of it for the 1994 tax season, they put in a provision permitting this nonrecognition of the capital gains to take care of the Viacom situation, again, all honorable, all well-intended.

But what happens so often on this floor, then, they put in things we do not know about, or they slipped something in. I was always proud to say the House never did that, that we had very strict rules and amendments and everything had to be germane to the bill before it. No one got special treatment in the House. The Senate, at times, the other body, may add a couple things here and there. We go to conference. Those things are knocked out and taken care of. You know what got knocked out on this one was the American people, and about \$63 million we have to pay for now.

Mr. BONIOR. And 17 other minority broadcasters got knocked out just to take care of Mr. Murdoch on the other end of the deal.

Mr. STUPAK. So in summation, I hope the President does veto the bill. I believe in the intent of the bill, but I certainly do not believe in the final analysis of this bill and what we now know in less than 48 hours after it was passed that there was a special deal. So I hope the President, if he is listening, as you indicated, would veto this bill, bring it back. We will work hard to get it passed by the end of the week.

TRIBUTE TO THE LATE SELENA QUINTANILLA PEREZ

The SPEAKER pro tempore (Mr. KINGSTON). Under a previous order of the House, the gentleman from Texas [Mr. ORTIZ] is recognized for 60 minutes.

Mr. ORTIZ. Mr. Speaker, it is with a heavy heart that I rise today to pay tribute to an outstanding young international recording star and businesswoman, Selena Quintanilla Perez, known throughout the world as simply "Selena."

She was murdered on Friday by a disgruntled employee.

Today, I want not to dwell on the circumstances of her tragic death, but on the way that she faced adversity, overcame the odds, and how she really lived each and every day of her 23 years.

Selena was born near Houston, Texas and began singing in Corpus Christi at age 5 with her father's band, Los Dinos.

When she began performing at age 9, the band became known as Selena y Los Dinos.

She grew up in the humble Molina barrio of Corpus Christi where the neighbors all know each other. In 1994, she took home the Grammy Music Award for "Selena Live," in the category for Best Mexican-American Album.

This year, her album, "Amor Prohibido" or "Forbidden Love" went quadruple platinum.

Ironically, Selena's newest song, "Foto y Recuerdos,"—"Photographs and Memories"—was No. 4 on the Latin charts on the day she died. Her song, "Amor Prohibido," earned another Grammy nomination for this year.

Selena was known as the Queen of Tejano music, which is the late 20th century version of the popular Tex-Mex conjunto, an accordion based rhythmic style of music. Selena has described her music as a combination of polka, country, and jazz.

Last month, at the Tejano music awards, she won seven major awards, including female entertainer of the year. However she or anyone else wishes to categorize her music, Selena's music touched the hearts and souls of her listeners.

She spoke to the everyday obstacles and triumphs in our lives.

She spoke to the fears, anxieties, hopes and ecstasy in all of us, simply

because she knew well all these aspects of the human spirit.

While Selena's hits were recorded in Spanish, her first language was English, and she had just begun recording in English in an attempt to cross over into the pop mainstream. She was still recording her first album in English when she died.

She was one of our young people who could reach across the divides that separate us as a society to show this country, through her music, how much we share as human beings.

Selena was a woman who paid back the generosity of her community.

She always went to the schools and spoke to the children about drug abuse, honesty, and staying in school to get an education. Her community loved her so much, I have never seen such an outpouring of support and love from a community. People all over Texas drove with their headlights turned on, and tied black ribbons to their car radio antennas, on in silent tribute. She was genuinely kind and pleasant, always with a generous manner for her fans or her hometown people.

She was one of us.

She was a role model for the young people in the community. The young people mimicked her songs and her easygoing persona. They admired the fact that she never forgot her roots, and they felt stronger because they shared those roots. Young people could look to Selena and know that she had come up out of the barrio and had made a huge success out of her life and her music.

They believed that she spoke to them through both her music and her deeds, and they loved her for that.

When word spread on Friday that Selena had been murdered, millions of her fans simply stopped what they were doing and just cried, both at the tragedy of a woman dying so needlessly so young, and for their personal pain at the loss. Her life was far too brief.

She was only 23 years old when she was murdered, and there is little doubt that her greatest years were on the horizon.

I will miss Selena very much.

Just 3 years ago, when I was the chairman of the congressional Hispanic caucus institute, she entertained at the institute's annual gala at my invitation, and as always she brought down the house.

While she was in Washington for the gala, I took her to the largely Hispanic Mount Pleasant neighborhood to entertain DC's Hispanic community.

Since we both came from low income neighborhoods, it was important for both of us to share the abundance of the annual gathering with those less fortunate.

That night we took another Mexican star with us, Rosa Gloria Chagoyan. Thousands greeted her and were deeply moved by her music. But most of all she will be missed by those to whom she spoke through her music, to the hearts she touched with her message,

and to those who just plain loved the melodic sound of her beautiful sultry voice.

This Easter, think of Selena. On this Easter Sunday, who would have been 24 years old.

In closing, let me say a word to the young people to whom Selena meant so much. Just because she is gone, please do not forget her message—stay off drugs, be honest, get an education, care about each other, get involved—and no matter what—never give up.

We will always carry her music, her message and her love in our heart.

To her husband, Chris Perez, her parents Mr. and Mrs. Abraham Quintanilla, her brother and Sister and her entire family, we offer our deepest sympathy. May she rest in peace.

Mr. Speaker, I yield to my good friend, the gentleman from New Jersey [Mr. TEJEDA].

Mr. TEJEDA. Mr. Speaker, I join my colleague from Corpus Christi and the tens of thousands of fans in south Texas and around the world to mourn the loss of a talented young Tejano Artist, Selena Quintanilla Perez. Known internationally for her talent and vivacious personality, Selena was murdered this past Friday in her hometown of Corpus Christi, TX. Just 2 weeks shy of her 24th birthday, Selena leaves us a legacy of spirit and hope. My heart goes out to her family, her friends, and her many fans.

Nothing I can say will reduce the pain, the heartache. Nor can I begin to answer the difficult question: Why, how could this happen to one with so much promise, so much talent, and so much to give. News of her death sent shockwaves from Washington to south Texas, from Los Angeles to Miami, from Mexico to South America.

Selena began her singing career at a young age, singing with a family band. From her humble beginnings, she succeeded in winning a Grammy and obtaining international fame. Her success did not take her away from her family, she and her husband lived next door to her parents' home. Now a senseless criminal act has taken her from us, but her legacy will live on.

Selena was more than a rising star in the vibrant Tejano music industry. Selena was a role model for many, from young children to senior citizens. She represented hope, speaking out against drugs and preaching the need to stay in school and obtain an education. Even with her frequent travels and the demands of her growing singing career, Selena earned her high school degree through correspondence courses.

Despite her overwhelming popularity, Selena consistently held strong ties to her Hispanic heritage. Selena succeeded in bringing Tejano music into mainstream America and is recognized not only in Texas, but in all of America, Mexico, and South America. Her latest release, "Amor Prohibido," has topped the Latin charts for 43 consecutive weeks. Prior to her death, her

album had sold nearly 500,000 copies, enough to qualify for gold record status. Playing the Houston Livestock Show and Rodeo for the past 3 years, she sold out the Astrodome's 62,000 seats.

Our loss is great, not just because of the music we will miss or the flash of a bright smile. We have lost a voice, a voice for our children, a role model for success, for hope, and for life.

She was in the process of making a crossover into pop music by recording her first English album, venturing into what for her was uncharted waters. True to her personality, she did not shrink from the challenge but rose to meet it. We will never know the extent of her potential accomplishment.

Although Selena has been equated with the greatest pop stars of the day, she had her own style in her music and concert apparel. She conveyed her messages of happiness, of life, in her songs through her emotions on stage. Her audience could not resist singing and dancing with her as she performed on stage. Her talents were many. Building on her stage appearances, Selena realized one of her dreams last year when she expanded into the clothing industry with the opening of clothing boutiques in Corpus Christi and San Antonio to sell her fashion designs.

We have all felt this overwhelming loss. This past weekend many Texans remembered Selena with candlelight prayer vigils organized as early as Friday evening. In San Antonio, two vigils were held in area parks. Many fans prayed at Selena's home and at the hotel where she was shot, leaving messages of love and support. People poured into Corpus Christi to pay their last respects. The road between San Antonio and Corpus became a highway of cars painted with prayers and expressions of love. Thousands stood in line to pay their last respects at a special memorial service in Corpus Christi, with wreaths of flowers overpowering the stage.

To those who grieve, I say your loss is real, but we must give life to this tragedy. We must not give up the hope and the light which Selena exemplified. I repeat her message: Work for your dreams, stay in school, say no to drugs, foster hope in your own life and the lives of your family and friends. Selena gave us the tools to remember her every day, in everything we do. Her challenge to us is to live up to the high standards she set for herself. It is my hope that Selena Quintanilla Perez will be remembered not for this tragedy, but for all that she gave to her family and to all who loved her.

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Selena gave us the tools to remember her every day in everything we do. Her challenge to us is to live up to the high standards she set for herself. It is my hope that Selena Quintanilla Perez will be remembered, not for this tragedy, but for all that she gave to her family and to all of those who loved her.

Again, Mr. Speaker, I thank the gentleman from Texas [Mr. ORTIZ], my friend and colleague from Corpus, for organizing this special order and allowing me this time.

Mr. ORTIZ. I thank the gentleman, and I would like to yield, Mr. Speaker, to the ranking member of the Committee on Agriculture and one of the most senior members of the Hispanic Caucus, the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Speaker, I thank my distinguished colleague for allowing me to join him and my colleague, the gentleman from Texas [Mr. TEJEDA] on this occasion. For all of us it has been a very sad occasion. Texas, the Nation, and perhaps all of the continent mourn the loss of such a young, talented, productive life as that of Selena Quintanilla Perez.

Mr. Speaker, young people from throughout Texas and in my area in south Texas mourned, cried. They had a candlelight vigil, as has been mentioned. They went to churches. They drove with the lights on, with mourning black ribbons on the antennas of their cars. But the outpouring of love was not at the point in time when she died. It has been there all along. They had come to her concerts. They had come to see her, to touch her, to listen to her.

One thing that I think we should look at is that the youngsters, children, see through falsehood. Children know who is real and who is fake, and the youngsters throughout the area that I live in, and throughout all the other areas, came and believed in Selena. They wanted to touch her, they wanted to be like her, and I think this is very important because they have shown us that here in such a short period someone has reached the pinnacle in their professional life that is a very difficult life.

Mr. Speaker, the music business is not easy. Traveling in that atmosphere is not easy. The temptation to drugs, for alcohol, is insurmountable at times for many of those, and this young lady—and we talk here about family values and moral values—here is a family that worked together, that stayed together, and it is a tremendous loss for them and for us because all of the endeavor has been done in a family

style, in a family group, in helping each other along the way.

I think it also should be of importance to us—and it has been mentioned—she recently was in San Antonio with the San Antonio Spurs visiting schools, stay in school, do not get into drugs. She devoted so much time to working with the youngsters. But there is no age limit to those who are admired and listen to her music. I know personally in my family that, from everyone in the family, regardless of age, enjoyed her music and looked at her in a very respectful, admiring way because she had what in Spanish is called *El Don de Gente*. That is an old Spanish saying that is given to a very special few that can touch you and make you feel they are part of you, that can speak to anyone regardless of stature, regardless of economic level. Those that have that special talent are but a very, very few, and she had that very special talent.

So I join my colleagues, and I urge, as my two colleagues have said, to the youngsters to remember to stay off of the drugs, to stay in school, and to work with others of good will.

Mr. Speaker, I am reminded of an old song in my youth, "The Old Lamp Lighter," which ended with the old lamp lighter, he made the world a little brighter wherever he would go. This was what Selena Quintanilla Perez was all about. She made the world a little brighter wherever she would go, and there have been the flowers, and there have been the signs, and there will be a tomb with a monument, I am sure, of some kind. But she will remain in the hearts, and the minds, and in the souls of everyone.

But she will go beyond that, and there is an old Spanish saying also that one of the Spanish explorers, when they first came to the area where we live was asked by one of his soldiers, "Will anyone ever know we came through here?"

So he took his sabre and on the side of a rock wrote the date and his name, and at the bottom he put, "Paso por aqui," he came this way.

So I would join my colleagues in saying that the world is a little better, she shed light, good light, wherever she went like the old lamp lighter, and no one should ever forget that, once she came our way in 23 short years in the minds, and memories and hearts of all of those who heard her music, all of those who met her and admired her. The Nation, and we as a people, and the Hispanic culture, and the music world, all of them would have been benefited and will continue to benefit because a young girl that lived only a very short 23 years *paso por aqui*.

I thank my distinguished colleague for allowing me this time.

Mr. ORTIZ. I thank my two colleagues for joining me, and today we are really honoring a real role model. We talk about a close-knitted family.

Members of the band; it was her brother, her sister, her husband, and her father was the manager. Yes, a real role model.

I thank the gentleman for coming and joining me today.

CONFERENCE REPORT ON S. 44

Mr. CLINGER submitted the following conference report and statement on the bill (S. 244), to further the goals of the Paperwork Reduction Act to have Federal agencies become more responsible and publicly accountable for reducing the burden of Federal paperwork on the public, and for other purposes:

CONFERENCE REPORT (H. REPT. 104-99)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 244), to further the goals of the Paperwork Reduction Act to have Federal agencies become more responsible and publicly accountable for reducing the burden of Federal paperwork on the public, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Paperwork Reduction Act of 1995".

SEC. 2. COORDINATION OF FEDERAL INFORMATION POLICY.

Chapter 35 of title 44, United States Code, is amended to read as follows:

"CHAPTER 35—COORDINATION OF FEDERAL INFORMATION POLICY

"Sec.

"3501. Purposes.

"3502. Definitions.

"3503. Office of Information and Regulatory Affairs.

"3504. Authority and functions of Director.

"3505. Assignment of tasks and deadlines.

"3506. Federal agency responsibilities.

"3507. Public information collection activities; submission to Director; approval and delegation.

"3508. Determination of necessity for information; hearing.

"3509. Designation of central collection agency.

"3510. Cooperation of agencies in making information available.

"3511. Establishment and operation of Government Information Locator Service.

"3512. Public protection.

"3513. Director review of agency activities; reporting; agency response.

"3514. Responsiveness to Congress.

"3515. Administrative powers.

"3516. Rules and regulations.

"3517. Consultation with other agencies and the public.

"3518. Effect on existing laws and regulations.

"3519. Access to information.

"3520. Authorization of appropriations.

"§ 3501. Purposes

"The purposes of this chapter are to—

"(1) minimize the paperwork burden for individuals, small businesses, educational and non-profit institutions, Federal contractors, State, local and tribal governments, and other persons resulting from the collection of information by or for the Federal Government;

"(2) ensure the greatest possible public benefit from and maximize the utility of information created, collected, maintained, used, shared and disseminated by or for the Federal Government;

"(3) coordinate, integrate, and to the extent practicable and appropriate, make uniform Federal information resources management policies and practices as a means to improve the productivity, efficiency, and effectiveness of Government programs, including the reduction of information collection burdens on the public and the improvement of service delivery to the public;

"(4) improve the quality and use of Federal information to strengthen decisionmaking, accountability, and openness in Government and society;

"(5) minimize the cost to the Federal Government of the creation, collection, maintenance, use, dissemination, and disposition of information;

"(6) strengthen the partnership between the Federal Government and State, local, and tribal governments by minimizing the burden and maximizing the utility of information created, collected, maintained, used, disseminated, and retained by or for the Federal Government;

"(7) provide for the dissemination of public information on a timely basis, on equitable terms, and in a manner that promotes the utility of the information to the public and makes effective use of information technology;

"(8) ensure that the creation, collection, maintenance, use, dissemination, and disposition of information by or for the Federal Government is consistent with applicable laws, including laws relating to—

"(A) privacy and confidentiality, including section 552a of title 5;

"(B) security of information, including the Computer Security Act of 1987 (Public Law 100-235); and

"(C) access to information, including section 552 of title 5;

"(9) ensure the integrity, quality, and utility of the Federal statistical system;

"(10) ensure that information technology is acquired, used, and managed to improve performance of agency missions, including the reduction of information collection burdens on the public; and

"(11) improve the responsibility and accountability of the Office of Management and Budget and all other Federal agencies to Congress and to the public for implementing the information collection review process, information resources management, and related policies and guidelines established under this chapter.

"§ 3502. Definitions

"As used in this chapter—

"(1) the term 'agency' means any executive department, military department, Government corporation, Government controlled corporation, or other establishment in the executive branch of the Government (including the Executive Office of the President), or any independent regulatory agency, but does not include—

"(A) the General Accounting Office;

"(B) Federal Election Commission;

"(C) the governments of the District of Columbia and of the territories and possessions of the United States, and their various subdivisions; or

"(D) Government-owned contractor-operated facilities, including laboratories engaged in national defense research and production activities;

"(2) the term 'burden' means time, effort, or financial resources expended by persons to generate, maintain, or provide information to or for a Federal agency, including the resources expended for—

"(A) reviewing instructions;

"(B) acquiring, installing, and utilizing technology and systems;

"(C) adjusting the existing ways to comply with any previously applicable instructions and requirements;

"(D) searching data sources;

"(E) completing and reviewing the collection of information; and

"(F) transmitting, or otherwise disclosing the information;

"(3) the term 'collection of information'—

"(A) means the obtaining, causing to be obtained, soliciting, or requiring the disclosure to third parties or the public, of facts or opinions by or for an agency, regardless of form or format, calling for either—

"(i) answers to identical questions posed to, or identical reporting or recordkeeping requirements imposed on, ten or more persons, other than agencies, instrumentalities, or employees of the United States; or

"(ii) answers to questions posed to agencies, instrumentalities, or employees of the United States which are to be used for general statistical purposes; and

"(B) shall not include a collection of information described under section 3518(c)(1);

"(4) the term 'Director' means the Director of the Office of Management and Budget;

"(5) the term 'independent regulatory agency' means the Board of Governors of the Federal Reserve System, the Commodity Futures Trading Commission, the Consumer Product Safety Commission, the Federal Communications Commission, the Federal Deposit Insurance Corporation, the Federal Energy Regulatory Commission, the Federal Housing Finance Board, the Federal Maritime Commission, the Federal Trade Commission, the Interstate Commerce Commission, the Mine Enforcement Safety and Health Review Commission, the National Labor Relations Board, the Nuclear Regulatory Commission, the Occupational Safety and Health Review Commission, the Postal Rate Commission, the Securities and Exchange Commission, and any other similar agency designated by statute as a Federal independent regulatory agency or commission;

"(6) the term 'information resources' means information and related resources, such as personnel, equipment, funds, and information technology;

"(7) the term 'information resources management' means the process of managing information resources to accomplish agency missions and to improve agency performance, including through the reduction of information collection burdens on the public;

"(8) the term 'information system' means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information;

"(9) the term 'information technology' has the same meaning as the term 'automatic data processing equipment' as defined by section 111(a) (2) and (3)(C) (i) through (v) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(a) (2) and (3)(C) (i) through (v));

"(10) the term 'person' means an individual, partnership, association, corporation, business trust, or legal representative, an organized group of individuals, a State, territorial, tribal, or local government or branch thereof, or a political subdivision of a State, territory, tribal, or local government or a branch of a political subdivision;

"(11) the term 'practical utility' means the ability of an agency to use information, particularly the capability to process such information in a timely and useful fashion;

"(12) the term 'public information' means any information, regardless of form or format, that an agency discloses, disseminates, or makes available to the public;

"(13) the term 'recordkeeping requirement' means a requirement imposed by or for an agency on persons to maintain specified records, including a requirement to—

"(A) retain such records;

"(B) notify third parties, the Federal Government, or the public of the existence of such records;

"(C) disclose such records to third parties, the Federal Government, or the public; or

“(D) report to third parties, the Federal Government, or the public regarding such records; and

“(14) the term ‘penalty’ includes the imposition by an agency or court of a fine or other punishment; a judgment for monetary damages or equitable relief; or the revocation, suspension, reduction, or denial of a license, privilege, right, grant, or benefit.

“§3503. Office of Information and Regulatory Affairs

“(a) There is established in the Office of Management and Budget an office to be known as the Office of Information and Regulatory Affairs.

“(b) There shall be at the head of the Office an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall delegate to the Administrator the authority to administer all functions under this chapter, except that any such delegation shall not relieve the Director of responsibility for the administration of such functions. The Administrator shall serve as principal adviser to the Director on Federal information resources management policy.

“§3504. Authority and functions of Director

“(a)(1) The Director shall oversee the use of information resources to improve the efficiency and effectiveness of governmental operations to serve agency missions, including burden reduction and service delivery to the public. In performing such oversight, the Director shall—

“(A) develop, coordinate and oversee the implementation of Federal information resources management policies, principles, standards, and guidelines; and

“(B) provide direction and oversee—

“(i) the review and approval of the collection of information and the reduction of the information collection burden;

“(ii) agency dissemination of and public access to information;

“(iii) statistical activities;

“(iv) records management activities;

“(v) privacy, confidentiality, security, disclosure, and sharing of information; and

“(vi) the acquisition and use of information technology.

“(2) The authority of the Director under this chapter shall be exercised consistent with applicable law.

“(b) With respect to general information resources management policy, the Director shall—

“(1) develop and oversee the implementation of uniform information resources management policies, principles, standards, and guidelines;

“(2) foster greater sharing, dissemination, and access to public information, including through—

“(A) the use of the Government Information Locator Service; and

“(B) the development and utilization of common standards for information collection, storage, processing and communication, including standards for security, interconnectivity and interoperability;

“(3) initiate and review proposals for changes in legislation, regulations, and agency procedures to improve information resources management practices;

“(4) oversee the development and implementation of best practices in information resources management, including training; and

“(5) oversee agency integration of program and management functions with information resources management functions.

“(c) With respect to the collection of information and the control of paperwork, the Director shall—

“(1) review and approve proposed agency collections of information;

“(2) coordinate the review of the collection of information associated with Federal procurement and acquisition by the Office of Information and Regulatory Affairs with the Office of Federal Procurement Policy, with particular emphasis on applying information technology to improve the efficiency and effectiveness of Federal procurement, acquisition and payment, and to reduce information collection burdens on the public;

“(3) minimize the Federal information collection burden, with particular emphasis on those individuals and entities most adversely affected;

“(4) maximize the practical utility of and public benefit from information collected by or for the Federal Government; and

“(5) establish and oversee standards and guidelines by which agencies are to estimate the burden to comply with a proposed collection of information.

“(d) With respect to information dissemination, the Director shall develop and oversee the implementation of policies, principles, standards, and guidelines to—

“(1) apply to Federal agency dissemination of public information, regardless of the form or format in which such information is disseminated; and

“(2) promote public access to public information and fulfill the purposes of this chapter, including through the effective use of information technology.

“(e) With respect to statistical policy and coordination, the Director shall—

“(1) coordinate the activities of the Federal statistical system to ensure—

“(A) the efficiency and effectiveness of the system; and

“(B) the integrity, objectivity, impartiality, utility, and confidentiality of information collected for statistical purposes;

“(2) ensure that budget proposals of agencies are consistent with system-wide priorities for maintaining and improving the quality of Federal statistics and prepare an annual report on statistical program funding;

“(3) develop and oversee the implementation of Governmentwide policies, principles, standards, and guidelines concerning—

“(A) statistical collection procedures and methods;

“(B) statistical data classification;

“(C) statistical information presentation and dissemination;

“(D) timely release of statistical data; and

“(E) such statistical data sources as may be required for the administration of Federal programs;

“(4) evaluate statistical program performance and agency compliance with Governmentwide policies, principles, standards and guidelines;

“(5) promote the sharing of information collected for statistical purposes consistent with privacy rights and confidentiality pledges;

“(6) coordinate the participation of the United States in international statistical activities, including the development of comparable statistics;

“(7) appoint a chief statistician who is a trained and experienced professional statistician to carry out the functions described under this subsection;

“(8) establish an Interagency Council on Statistical Policy to advise and assist the Director in carrying out the functions under this subsection that shall—

“(A) be headed by the chief statistician; and

“(B) consist of—

“(i) the heads of the major statistical programs; and

“(ii) representatives of other statistical agencies under rotating membership; and

“(9) provide opportunities for training in statistical policy functions to employees of the Federal Government under which—

“(A) each trainee shall be selected at the discretion of the Director based on agency requests and shall serve under the chief statistician for at least 6 months and not more than 1 year; and

“(B) all costs of the training shall be paid by the agency requesting training.

“(f) With respect to records management, the Director shall—

“(1) provide advice and assistance to the Archivist of the United States and the Administrator of General Services to promote coordination in the administration of chapters 29, 31, and 33 of this title with the information resources management policies, principles, standards, and guidelines established under this chapter;

“(2) review compliance by agencies with—

“(A) the requirements of chapters 29, 31, and 33 of this title; and

“(B) regulations promulgated by the Archivist of the United States and the Administrator of General Services; and

“(3) oversee the application of records management policies, principles, standards, and guidelines, including requirements for archiving information maintained in electronic format, in the planning and design of information systems.

“(g) With respect to privacy and security, the Director shall—

“(1) develop and oversee the implementation of policies, principles, standards, and guidelines on privacy, confidentiality, security, disclosure and sharing of information collected or maintained by or for agencies;

“(2) oversee and coordinate compliance with sections 552 and 552a of title 5, the Computer Security Act of 1987 (40 U.S.C. 759 note), and related information management laws; and

“(3) require Federal agencies, consistent with the Computer Security Act of 1987 (40 U.S.C. 759 note), to identify and afford security protections commensurate with the risk and magnitude of the harm resulting from the loss, misuse, or unauthorized access to or modification of information collected or maintained by or on behalf of an agency.

“(h) With respect to Federal information technology, the Director shall—

“(1) in consultation with the Director of the National Institute of Standards and Technology and the Administrator of General Services—

“(A) develop and oversee the implementation of policies, principles, standards, and guidelines for information technology functions and activities of the Federal Government, including periodic evaluations of major information systems; and

“(B) oversee the development and implementation of standards under section 111(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(d));

“(2) monitor the effectiveness of, and compliance with, directives issued under sections 110 and 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 757 and 759);

“(3) coordinate the development and review by the Office of Information and Regulatory Affairs of policy associated with Federal procurement and acquisition of information technology with the Office of Federal Procurement Policy;

“(4) ensure, through the review of agency budget proposals, information resources management plans and other means—

“(A) agency integration of information resources management plans, program plans and budgets for acquisition and use of information technology; and

“(B) the efficiency and effectiveness of interagency information technology initiatives to improve agency performance and the accomplishment of agency missions; and

“(5) promote the use of information technology by the Federal Government to improve the productivity, efficiency, and effectiveness of Federal programs, including through dissemination of public information and the reduction of information collection burdens on the public.

“§3505. Assignment of tasks and deadlines

“(a) In carrying out the functions under this chapter, the Director shall—

“(1) in consultation with agency heads, set an annual Governmentwide goal for the reduction of information collection burdens by at least 10 percent during each of fiscal years 1996 and 1997

and 5 percent during each of fiscal years 1998, 1999, 2000, and 2001, and set annual agency goals to—

“(A) reduce information collection burdens imposed on the public that—

“(i) represent the maximum practicable opportunity in each agency; and

“(ii) are consistent with improving agency management of the process for the review of collections of information established under section 3506(c); and

“(B) improve information resources management in ways that increase the productivity, efficiency and effectiveness of Federal programs, including service delivery to the public;

“(2) with selected agencies and non-Federal entities on a voluntary basis, conduct pilot projects to test alternative policies, practices, regulations, and procedures to fulfill the purposes of this chapter, particularly with regard to minimizing the Federal information collection burden; and

“(3) in consultation with the Administrator of General Services, the Director of the National Institute of Standards and Technology, the Archivist of the United States, and the Director of the Office of Personnel Management, develop and maintain a Governmentwide strategic plan for information resources management, that shall include—

“(A) a description of the objectives and the means by which the Federal Government shall apply information resources to improve agency and program performance;

“(B) plans for—

“(i) reducing information burdens on the public, including reducing such burdens through the elimination of duplication and meeting shared data needs with shared resources;

“(ii) enhancing public access to and dissemination of, information, using electronic and other formats; and

“(iii) meeting the information technology needs of the Federal Government in accordance with the purposes of this chapter; and

“(C) a description of progress in applying information resources management to improve agency performance and the accomplishment of missions.

“(b) For purposes of any pilot project conducted under subsection (a)(2), the Director may, after consultation with the agency head, waive the application of any administrative directive issued by an agency with which the project is conducted, including any directive requiring a collection of information, after giving timely notice to the public and the Congress regarding the need for such waiver.

“§ 3506. Federal agency responsibilities

“(a)(1) The head of each agency shall be responsible for—

“(A) carrying out the agency's information resources management activities to improve agency productivity, efficiency, and effectiveness; and

“(B) complying with the requirements of this chapter and related policies established by the Director.

“(2)(A) Except as provided under subparagraph (B), the head of each agency shall designate a senior official who shall report directly to such agency head to carry out the responsibilities of the agency under this chapter.

“(B) The Secretary of the Department of Defense and the Secretary of each military department may each designate senior officials who shall report directly to such Secretary to carry out the responsibilities of the department under this chapter. If more than one official is designated, the respective duties of the officials shall be clearly delineated.

“(3) The senior official designated under paragraph (2) shall head an office responsible for ensuring agency compliance with and prompt, efficient, and effective implementation of the information policies and information resources management responsibilities established under this chapter, including the reduction of

information collection burdens on the public. The senior official and employees of such office shall be selected with special attention to the professional qualifications required to administer the functions described under this chapter.

“(4) Each agency program official shall be responsible and accountable for information resources assigned to and supporting the programs under such official. In consultation with the senior official designated under paragraph (2) and the agency Chief Financial Officer (or comparable official), each agency program official shall define program information needs and develop strategies, systems, and capabilities to meet those needs.

“(b) With respect to general information resources management, each agency shall—

“(1) manage information resources to—

“(A) reduce information collection burdens on the public;

“(B) increase program efficiency and effectiveness; and

“(C) improve the integrity, quality, and utility of information to all users within and outside the agency, including capabilities for ensuring dissemination of public information, public access to government information, and protections for privacy and security;

“(2) in accordance with guidance by the Director, develop and maintain a strategic information resources management plan that shall describe how information resources management activities help accomplish agency missions;

“(3) develop and maintain an ongoing process to—

“(A) ensure that information resources management operations and decisions are integrated with organizational planning, budget, financial management, human resources management, and program decisions;

“(B) in cooperation with the agency Chief Financial Officer (or comparable official), develop a full and accurate accounting of information technology expenditures, related expenses, and results; and

“(C) establish goals for improving information resources management's contribution to program productivity, efficiency, and effectiveness, methods for measuring progress towards those goals, and clear roles and responsibilities for achieving those goals;

“(4) in consultation with the Director, the Administrator of General Services, and the Archivist of the United States, maintain a current and complete inventory of the agency's information resources, including directories necessary to fulfill the requirements of section 3511 of this chapter; and

“(5) in consultation with the Director and the Director of the Office of Personnel Management, conduct formal training programs to educate agency program and management officials about information resources management.

“(c) With respect to the collection of information and the control of paperwork, each agency shall—

“(1) establish a process within the office headed by the official designated under subsection (a), that is sufficiently independent of program responsibility to evaluate fairly whether proposed collections of information should be approved under this chapter, to—

“(A) review each collection of information before submission to the Director for review under this chapter, including—

“(i) an evaluation of the need for the collection of information;

“(ii) a functional description of the information to be collected;

“(iii) a plan for the collection of the information;

“(iv) a specific, objectively supported estimate of burden;

“(v) a test of the collection of information through a pilot program, if appropriate; and

“(vi) a plan for the efficient and effective management and use of the information to be collected, including necessary resources;

“(B) ensure that each information collection—

“(i) is inventoried, displays a control number and, if appropriate, an expiration date;

“(ii) indicates the collection is in accordance with the clearance requirements of section 3507; and

“(iii) informs the person receiving the collection of information of—

“(I) the reasons the information is being collected;

“(II) the way such information is to be used;

“(III) an estimate, to the extent practicable, of the burden of the collection;

“(IV) whether responses to the collection of information are voluntary, required to obtain a benefit, or mandatory; and

“(V) the fact that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number; and

“(C) assess the information collection burden of proposed legislation affecting the agency;

“(2)(A) except as provided under subparagraph (B) or section 3507(j), provide 60-day notice in the Federal Register, and otherwise consult with members of the public and affected agencies concerning each proposed collection of information, to solicit comment to—

“(i) evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility;

“(ii) evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information;

“(iii) enhance the quality, utility, and clarity of the information to be collected; and

“(iv) minimize the burden of the collection of information on those who are to respond, including through the use of automated collection techniques or other forms of information technology; and

“(B) for any proposed collection of information contained in a proposed rule (to be reviewed by the Director under section 3507(d)), provide notice and comment through the notice of proposed rulemaking for the proposed rule and such notice shall have the same purposes specified under subparagraph (A) (i) through (iv); and

“(3) certify (and provide a record supporting such certification, including public comments received by the agency) that each collection of information submitted to the Director for review under section 3507—

“(A) is necessary for the proper performance of the functions of the agency, including that the information has practical utility;

“(B) is not unnecessarily duplicative of information otherwise reasonably accessible to the agency;

“(C) reduces to the extent practicable and appropriate the burden on persons who shall provide information to or for the agency, including with respect to small entities, as defined under section 601(6) of title 5, the use of such techniques as—

“(i) establishing differing compliance or reporting requirements or timetables that take into account the resources available to those who are to respond;

“(ii) the clarification, consolidation, or simplification of compliance and reporting requirements; or

“(iii) an exemption from coverage of the collection of information, or any part thereof;

“(D) is written using plain, coherent, and unambiguous terminology and is understandable to those who are to respond;

“(E) is to be implemented in ways consistent and compatible, to the maximum extent practicable, with the existing reporting and record-keeping practices of those who are to respond;

“(F) indicates for each recordkeeping requirement the length of time persons are required to maintain the records specified;

“(G) contains the statement required under paragraph (1)(B)(iii);

“(H) has been developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to be collected, including the processing of the information in a manner which shall enhance, where appropriate, the utility of the information to agencies and the public;

“(I) uses effective and efficient statistical survey methodology appropriate to the purpose for which the information is to be collected; and

“(J) to the maximum extent practicable, uses information technology to reduce burden and improve data quality, agency efficiency and responsiveness to the public.

“(d) With respect to information dissemination, each agency shall—

“(1) ensure that the public has timely and equitable access to the agency's public information, including ensuring such access through—

“(A) encouraging a diversity of public and private sources for information based on government public information;

“(B) in cases in which the agency provides public information maintained in electronic format, providing timely and equitable access to the underlying data (in whole or in part); and

“(C) agency dissemination of public information in an efficient, effective, and economical manner;

“(2) regularly solicit and consider public input on the agency's information dissemination activities;

“(3) provide adequate notice when initiating, substantially modifying, or terminating significant information dissemination products; and

“(4) not, except where specifically authorized by statute—

“(A) establish an exclusive, restricted, or other distribution arrangement that interferes with timely and equitable availability of public information to the public;

“(B) restrict or regulate the use, resale, or redistribution of public information by the public;

“(C) charge fees or royalties for resale or redistribution of public information; or

“(D) establish user fees for public information that exceed the cost of dissemination.

“(e) With respect to statistical policy and coordination, each agency shall—

“(1) ensure the relevance, accuracy, timeliness, integrity, and objectivity of information collected or created for statistical purposes;

“(2) inform respondents fully and accurately about the sponsors, purposes, and uses of statistical surveys and studies;

“(3) protect respondents' privacy and ensure that disclosure policies fully honor pledges of confidentiality;

“(4) observe Federal standards and practices for data collection, analysis, documentation, sharing, and dissemination of information;

“(5) ensure the timely publication of the results of statistical surveys and studies, including information about the quality and limitations of the surveys and studies; and

“(6) make data available to statistical agencies and readily accessible to the public.

“(f) With respect to records management, each agency shall implement and enforce applicable policies and procedures, including requirements for archiving information maintained in electronic format, particularly in the planning, design and operation of information systems.

“(g) With respect to privacy and security, each agency shall—

“(1) implement and enforce applicable policies, procedures, standards, and guidelines on privacy, confidentiality, security, disclosure and sharing of information collected or maintained by or for the agency;

“(2) assume responsibility and accountability for compliance with and coordinated management of sections 552 and 552a of title 5, the Computer Security Act of 1987 (40 U.S.C. 759 note), and related information management laws; and

“(3) consistent with the Computer Security Act of 1987 (40 U.S.C. 759 note), identify and afford security protections commensurate with the

risk and magnitude of the harm resulting from the loss, misuse, or unauthorized access to or modification of information collected or maintained by or on behalf of an agency.

“(h) With respect to Federal information technology, each agency shall—

“(1) implement and enforce applicable Governmentwide and agency information technology management policies, principles, standards, and guidelines;

“(2) assume responsibility and accountability for information technology investments;

“(3) promote the use of information technology by the agency to improve the productivity, efficiency, and effectiveness of agency programs, including the reduction of information collection burdens on the public and improved dissemination of public information;

“(4) propose changes in legislation, regulations, and agency procedures to improve information technology practices, including changes that improve the ability of the agency to use technology to reduce burden; and

“(5) assume responsibility for maximizing the value and assessing and managing the risks of major information systems initiatives through a process that is—

“(A) integrated with budget, financial, and program management decisions; and

“(B) used to select, control, and evaluate the results of major information systems initiatives.

“§3507. Public information collection activities; submission to Director; approval and delegation

“(a) An agency shall not conduct or sponsor the collection of information unless in advance of the adoption or revision of the collection of information—

“(1) the agency has—

“(A) conducted the review established under section 3506(c)(1);

“(B) evaluated the public comments received under section 3506(c)(2);

“(C) submitted to the Director the certification required under section 3506(c)(3), the proposed collection of information, copies of pertinent statutory authority, regulations, and other related materials as the Director may specify; and

“(D) published a notice in the Federal Register—

“(i) stating that the agency has made such submission; and

“(ii) setting forth—

“(I) a title for the collection of information;

“(II) a summary of the collection of information;

“(III) a brief description of the need for the information and the proposed use of the information;

“(IV) a description of the likely respondents and proposed frequency of response to the collection of information;

“(V) an estimate of the burden that shall result from the collection of information; and

“(VI) notice that comments may be submitted to the agency and Director;

“(2) the Director has approved the proposed collection of information or approval has been inferred, under the provisions of this section; and

“(3) the agency has obtained from the Director a control number to be displayed upon the collection of information.

“(b) The Director shall provide at least 30 days for public comment prior to making a decision under subsection (c), (d), or (h), except as provided under subsection (j).

“(c)(1) For any proposed collection of information not contained in a proposed rule, the Director shall notify the agency involved of the decision to approve or disapprove the proposed collection of information.

“(2) The Director shall provide the notification under paragraph (1), within 60 days after receipt or publication of the notice under subsection (a)(1)(D), whichever is later.

“(3) If the Director does not notify the agency of a denial or approval within the 60-day period described under paragraph (2)—

“(A) the approval may be inferred;

“(B) a control number shall be assigned without further delay; and

“(C) the agency may collect the information for not more than 1 year.

“(d)(1) For any proposed collection of information contained in a proposed rule—

“(A) as soon as practicable, but no later than the date of publication of a notice of proposed rulemaking in the Federal Register, each agency shall forward to the Director a copy of any proposed rule which contains a collection of information and any information requested by the Director necessary to make the determination required under this subsection; and

“(B) within 60 days after the notice of proposed rulemaking is published in the Federal Register, the Director may file public comments pursuant to the standards set forth in section 3508 on the collection of information contained in the proposed rule;

“(2) When a final rule is published in the Federal Register, the agency shall explain—

“(A) how any collection of information contained in the final rule responds to the comments, if any, filed by the Director or the public; or

“(B) the reasons such comments were rejected.

“(3) If the Director has received notice and failed to comment on an agency rule within 60 days after the notice of proposed rulemaking, the Director may not disapprove any collection of information specifically contained in an agency rule.

“(4) No provision in this section shall be construed to prevent the Director, in the Director's discretion—

“(A) from disapproving any collection of information which was not specifically required by an agency rule;

“(B) from disapproving any collection of information contained in an agency rule, if the agency failed to comply with the requirements of paragraph (1) of this subsection;

“(C) from disapproving any collection of information contained in a final agency rule, if the Director finds within 60 days after the publication of the final rule that the agency's response to the Director's comments filed under paragraph (2) of this subsection was unreasonable; or

“(D) from disapproving any collection of information contained in a final rule, if—

“(i) the Director determines that the agency has substantially modified in the final rule the collection of information contained in the proposed rule; and

“(ii) the agency has not given the Director the information required under paragraph (1) with respect to the modified collection of information, at least 60 days before the issuance of the final rule.

“(5) This subsection shall apply only when an agency publishes a notice of proposed rulemaking and requests public comments.

“(6) The decision by the Director to approve or not act upon a collection of information contained in an agency rule shall not be subject to judicial review.

“(e)(1) Any decision by the Director under subsection (c), (d), (h), or (j) to disapprove a collection of information, or to instruct the agency to make substantive or material change to a collection of information, shall be publicly available and include an explanation of the reasons for such decision.

“(2) Any written communication between the Administrator of the Office of Information and Regulatory Affairs, or any employee of the Office of Information and Regulatory Affairs, and an agency or person not employed by the Federal Government concerning a proposed collection of information shall be made available to the public.

“(3) This subsection shall not require the disclosure of—

“(A) any information which is protected at all times by procedures established for information which has been specifically authorized under criteria established by an Executive order or an Act of Congress to be kept secret in the interest of national defense or foreign policy; or

“(B) any communication relating to a collection of information which is not approved under this chapter, the disclosure of which could lead to retaliation or discrimination against the communicator.

“(f)(1) An independent regulatory agency which is administered by 2 or more members of a commission, board, or similar body, may by majority vote void—

“(A) any disapproval by the Director, in whole or in part, of a proposed collection of information of that agency; or

“(B) an exercise of authority under subsection (d) of section 3507 concerning that agency.

“(2) The agency shall certify each vote to void such disapproval or exercise to the Director, and explain the reasons for such vote. The Director shall without further delay assign a control number to such collection of information, and such vote to void the disapproval or exercise shall be valid for a period of 3 years.

“(g) The Director may not approve a collection of information for a period in excess of 3 years.

“(h)(1) If an agency decides to seek extension of the Director's approval granted for a currently approved collection of information, the agency shall—

“(A) conduct the review established under section 3506(c), including the seeking of comment from the public on the continued need for, and burden imposed by the collection of information; and

“(B) after having made a reasonable effort to seek public comment, but no later than 60 days before the expiration date of the control number assigned by the Director for the currently approved collection of information, submit the collection of information for review and approval under this section, which shall include an explanation of how the agency has used the information that it has collected.

“(2) If under the provisions of this section, the Director disapproves a collection of information contained in an existing rule, or recommends or instructs the agency to make a substantive or material change to a collection of information contained in an existing rule, the Director shall—

“(A) publish an explanation thereof in the Federal Register; and

“(B) instruct the agency to undertake a rule-making within a reasonable time limited to consideration of changes to the collection of information contained in the rule and thereafter to submit the collection of information for approval or disapproval under this chapter.

“(3) An agency may not make a substantive or material modification to a collection of information after such collection has been approved by the Director, unless the modification has been submitted to the Director for review and approval under this chapter.

“(i)(1) If the Director finds that a senior official of an agency designated under section 3506(a) is sufficiently independent of program responsibility to evaluate fairly whether proposed collections of information should be approved and has sufficient resources to carry out this responsibility effectively, the Director may, by rule in accordance with the notice and comment provisions of chapter 5 of title 5, United States Code, delegate to such official the authority to approve proposed collections of information in specific program areas, for specific purposes, or for all agency purposes.

“(2) A delegation by the Director under this section shall not preclude the Director from reviewing individual collections of information if the Director determines that circumstances warrant such a review. The Director shall retain authority to revoke such delegations, both in

general and with regard to any specific matter.

In acting for the Director, any official to whom approval authority has been delegated under this section shall comply fully with the rules and regulations promulgated by the Director.

“(j)(1) The agency head may request the Director to authorize a collection of information, if an agency head determines that—

“(A) a collection of information—

“(i) is needed prior to the expiration of time periods established under this chapter; and

“(ii) is essential to the mission of the agency; and

“(B) the agency cannot reasonably comply with the provisions of this chapter because—

“(i) public harm is reasonably likely to result if normal clearance procedures are followed;

“(ii) an unanticipated event has occurred; or

“(iii) the use of normal clearance procedures is reasonably likely to prevent or disrupt the collection of information or is reasonably likely to cause a statutory or court ordered deadline to be missed.

“(2) The Director shall approve or disapprove any such authorization request within the time requested by the agency head and, if approved, shall assign the collection of information a control number. Any collection of information conducted under this subsection may be conducted without compliance with the provisions of this chapter for a maximum of 90 days after the date on which the Director received the request to authorize such collection.

“§3508. Determination of necessity for information; hearing

“Before approving a proposed collection of information, the Director shall determine whether the collection of information by the agency is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility. Before making a determination the Director may give the agency and other interested persons an opportunity to be heard or to submit statements in writing. To the extent, if any, that the Director determines that the collection of information by an agency is unnecessary for any reason, the agency may not engage in the collection of information.

“§3509. Designation of central collection agency

“The Director may designate a central collection agency to obtain information for two or more agencies if the Director determines that the needs of such agencies for information will be adequately served by a single collection agency, and such sharing of data is not inconsistent with applicable law. In such cases the Director shall prescribe (with reference to the collection of information) the duties and functions of the collection agency so designated and of the agencies for which it is to act as agent (including reimbursement for costs). While the designation is in effect, an agency covered by the designation may not obtain for itself information for the agency which is the duty of the collection agency to obtain. The Director may modify the designation from time to time as circumstances require. The authority to designate under this section is subject to the provisions of section 3507(f) of this chapter.

“§3510. Cooperation of agencies in making information available

“(a) The Director may direct an agency to make available to another agency, or an agency may make available to another agency, information obtained by a collection of information if the disclosure is not inconsistent with applicable law.

“(b)(1) If information obtained by an agency is released by that agency to another agency, all the provisions of law (including penalties) that relate to the unlawful disclosure of information apply to the officers and employees of the agency to which information is released to the same extent and in the same manner as the provisions apply to the officers and employees of the agency which originally obtained the information.

“(2) The officers and employees of the agency to which the information is released, in addition, shall be subject to the same provisions of law, including penalties, relating to the unlawful disclosure of information as if the information had been collected directly by that agency.

“§3511. Establishment and operation of Government Information Locator Service

“(a) In order to assist agencies and the public in locating information and to promote information sharing and equitable access by the public, the Director shall—

“(1) cause to be established and maintained a distributed agency-based electronic Government Information Locator Service (hereafter in this section referred to as the ‘Service’), which shall identify the major information systems, holdings, and dissemination products of each agency;

“(2) require each agency to establish and maintain an agency information locator service as a component of, and to support the establishment and operation of the Service;

“(3) in cooperation with the Archivist of the United States, the Administrator of General Services, the Public Printer, and the Librarian of Congress, establish an interagency committee to advise the Secretary of Commerce on the development of technical standards for the Service to ensure compatibility, promote information sharing, and uniform access by the public;

“(4) consider public access and other user needs in the establishment and operation of the Service;

“(5) ensure the security and integrity of the Service, including measures to ensure that only information which is intended to be disclosed to the public is disclosed through the Service; and

“(6) periodically review the development and effectiveness of the Service and make recommendations for improvement, including other mechanisms for improving public access to Federal agency public information.

“(b) This section shall not apply to operational files as defined by the Central Intelligence Agency Information Act (50 U.S.C. 431 et seq.).

“§3512. Public protection

“(a) Notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information that is subject to this chapter if—

“(1) the collection of information does not display a valid control number assigned by the Director in accordance with this chapter; or

“(2) the agency fails to inform the person who is to respond to the collection of information that such person is not required to respond to the collection of information unless it displays a valid control number.

“(b) The protection provided by this section may be raised in the form of a complete defense, bar, or otherwise at any time during the agency administrative process or judicial action applicable thereto.

“§3513. Director review of agency activities; reporting; agency response

“(a) In consultation with the Administrator of General Services, the Archivist of the United States, the Director of the National Institute of Standards and Technology, and the Director of the Office of Personnel Management, the Director shall periodically review selected agency information resources management activities to ascertain the efficiency and effectiveness of such activities to improve agency performance and the accomplishment of agency missions.

“(b) Each agency having an activity reviewed under subsection (a) shall, within 60 days after receipt of a report on the review, provide a written plan to the Director describing steps (including milestones) to—

“(1) be taken to address information resources management problems identified in the report; and

“(2) improve agency performance and the accomplishment of agency missions.

“§3514. Responsiveness to Congress

“(a)(1) The Director shall—

“(A) keep the Congress and congressional committees fully and currently informed of the major activities under this chapter; and

“(B) submit a report on such activities to the President of the Senate and the Speaker of the House of Representatives annually and at such other times as the Director determines necessary.

“(2) The Director shall include in any such report a description of the extent to which agencies have—

“(A) reduced information collection burdens on the public, including—

“(i) a summary of accomplishments and planned initiatives to reduce collection of information burdens;

“(ii) a list of all violations of this chapter and of any rules, guidelines, policies, and procedures issued pursuant to this chapter;

“(iii) a list of any increase in the collection of information burden, including the authority for each such collection; and

“(iv) a list of agencies that in the preceding year did not reduce information collection burdens in accordance with section 3505(a)(1), a list of the programs and statutory responsibilities of those agencies that precluded that reduction, and recommendations to assist those agencies to reduce information collection burdens in accordance with that section;

“(B) improved the quality and utility of statistical information;

“(C) improved public access to Government information; and

“(D) improved program performance and the accomplishment of agency missions through information resources management.

“(b) The preparation of any report required by this section shall be based on performance results reported by the agencies and shall not increase the collection of information burden on persons outside the Federal Government.

“§3515. Administrative powers

“Upon the request of the Director, each agency (other than an independent regulatory agency) shall, to the extent practicable, make its services, personnel, and facilities available to the Director for the performance of functions under this chapter.

“§3516. Rules and regulations

“The Director shall promulgate rules, regulations, or procedures necessary to exercise the authority provided by this chapter.

“§3517. Consultation with other agencies and the public

“(a) In developing information resources management policies, plans, rules, regulations, procedures, and guidelines and in reviewing collections of information, the Director shall provide interested agencies and persons early and meaningful opportunity to comment.

“(b) Any person may request the Director to review any collection of information conducted by or for an agency to determine, if, under this chapter, a person shall maintain, provide, or disclose the information to or for the agency. Unless the request is frivolous, the Director shall, in coordination with the agency responsible for the collection of information—

“(1) respond to the request within 60 days after receiving the request, unless such period is extended by the Director to a specified date and the person making the request is given notice of such extension; and

“(2) take appropriate remedial action, if necessary.

“§3518. Effect on existing laws and regulations

“(a) Except as otherwise provided in this chapter, the authority of an agency under any other law to prescribe policies, rules, regula-

tions, and procedures for Federal information resources management activities is subject to the authority of the Director under this chapter.

“(b) Nothing in this chapter shall be deemed to affect or reduce the authority of the Secretary of Commerce or the Director of the Office of Management and Budget pursuant to Reorganization Plan No. 1 of 1977 (as amended) and Executive order, relating to telecommunications and information policy, procurement and management of telecommunications and information systems, spectrum use, and related matters.

“(c)(1) Except as provided in paragraph (2), this chapter shall not apply to the collection of information—

“(A) during the conduct of a Federal criminal investigation or prosecution, or during the disposition of a particular criminal matter;

“(B) during the conduct of—

“(i) a civil action to which the United States or any official or agency thereof is a party; or

“(ii) an administrative action or investigation involving an agency against specific individuals or entities;

“(C) by compulsory process pursuant to the Antitrust Civil Process Act and section 13 of the Federal Trade Commission Improvements Act of 1980; or

“(D) during the conduct of intelligence activities as defined in section 3.4(e) of Executive Order No. 12333, issued December 4, 1981, or successor orders, or during the conduct of cryptologic activities that are communications security activities.

“(2) This chapter applies to the collection of information during the conduct of general investigations (other than information collected in an antitrust investigation to the extent provided in subparagraph (C) of paragraph (1)) undertaken with reference to a category of individuals or entities such as a class of licensees or an entire industry.

“(d) Nothing in this chapter shall be interpreted as increasing or decreasing the authority conferred by Public Law 89-306 on the Administrator of the General Services Administration, the Secretary of Commerce, or the Director of the Office of Management and Budget.

“(e) Nothing in this chapter shall be interpreted as increasing or decreasing the authority of the President, the Office of Management and Budget or the Director thereof, under the laws of the United States, with respect to the substantive policies and programs of departments, agencies and offices, including the substantive authority of any Federal agency to enforce the civil rights laws.

“§3519. Access to information

“Under the conditions and procedures prescribed in section 716 of title 31, the Director and personnel in the Office of Information and Regulatory Affairs shall furnish such information as the Comptroller General may require for the discharge of the responsibilities of the Comptroller General. For the purpose of obtaining such information, the Comptroller General or representatives thereof shall have access to all books, documents, papers and records, regardless of form or format, of the Office.

“§3520. Authorization of appropriations

“There are authorized to be appropriated to the Office of Information and Regulatory Affairs to carry out the provisions of this chapter, and for no other purpose, \$8,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, 2000, and 2001.”

SEC. 3. BURDEN REDUCTION REGARDING QUARTERLY FINANCIAL REPORT PROGRAM AT BUREAU OF THE CENSUS.

Section 91 of title 13, United States Code, is amended by adding at the end the following new subsection:

“(d)(1) The Secretary shall not select an organization or entity for participation in a survey, if—

“(A) the organization or entity—

“(i) has assets of less than \$50,000,000;

“(ii) completed participation in a prior survey in the preceding 10-year period, as determined by the Secretary; and

“(iii) was selected for that prior survey participation after September 30, 1990; or

“(B) the organization or entity—

“(i) has assets of more than \$50,000,000 and less than \$100,000,000;

“(ii) completed participation in a prior survey in the preceding 2-year period, as determined by the Secretary; and

“(iii) was selected for that prior survey participation after September 30, 1995.

“(2)(A) The Secretary shall furnish advice and similar assistance to ease the burden of a small business concern which is attempting to compile and furnish the business information required of organizations and entities participating in the survey.

“(B) To facilitate the provision of the assistance under subparagraph (A), the Secretary shall establish a toll-free telephone number.

“(C) The Secretary shall expand the use of statistical sampling techniques to select organizations and entities having assets less than \$100,000,000 to participate in the survey.

“(3) The Secretary may undertake such additional paperwork burden reduction initiatives with respect to the conduct of the survey as may be deemed appropriate by the Secretary.

“(4) For purposes of this subsection:

“(A) The term ‘small business concern’ means a business concern that meets the requirements of section 3(a) of the Small Business Act and the regulations promulgated pursuant thereto.

“(B) The term ‘survey’ means the collection of information by the Secretary pursuant to this section for the purpose of preparing the publication entitled ‘Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations’.”

SEC. 4. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this section, this Act and the amendments made by this Act shall take effect on October 1, 1995.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 3520 of title 44, United States Code, as amended by this Act, shall take effect on the date of enactment of this Act.

(c) DELAYED APPLICATION.—In the case of a collection of information for which there is in effect on September 30, 1995, a control number issued by the Office of Management and Budget under chapter 35 of title 44, United States Code—

(1) the amendments made by this Act shall apply to the collection of information beginning on the earlier of—

(A) the first renewal or modification of that collection of information after September 30, 1995; or

(B) the expiration of its control number after September 30, 1995.

(2) prior to such renewal, modification, or expiration, the collection of information shall be subject to chapter 35 of title 44, United States Code, as in effect on September 30, 1995.

And the House agree to the same.

BILL CLINGER,
JOHN M. MCHUGH,
DAVID MCINTOSH,
JON FOX,
CARDISS COLLINS,
COLLIN C. PETERSON,
BOB WISE,

Managers on the Part of the House.

WILLIAM V. ROTH, JR.,
BILL COHEN,
THAD COCHRAN,
JOHN GLENN,
SAM NUNN,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF THE CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 244) to further the goals of the Paperwork Reduction Act to have Federal agencies become more responsible and publicly accountable for reducing the burden of Federal paperwork on the public, and for other purposes submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report: The House amendment struck all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment that is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor and clerical changes.

Short title (sec. 1)

The Senate bill contained a provision (section 101) that would establish the short title of the title I of the Senate bill as the "Paperwork Reduction Act of 1995".

The House amendment (section 1) contained a provision that would establish the short title of the act as the "Paperwork Reduction Act of 1995".

The conferees agree that the short title of the act should be the "Paperwork Reduction Act of 1995".

Coordination of Federal information policy (sec. 2)

The Senate bill contained a provision (sec. 102) that would provide a complete text of chapter 35 of title 44, United States Code, the codified version of the Paperwork Reduction Act of 1980, as previously amended.

The House amendment contained a similar provision (sec. 2).

The conference agreement reflects the following differences between the text of the Paperwork Reduction Act as contained in the Senate bill and the text contained in the House amendment.

1. Prior Legislative History Expressly Preserved.

Section 2 of the Paperwork Reduction Act of 1995 is drafted in the form of a complete recodification of chapter 35 of title 44, United States Code, due to the number of changes made. The modifications include word changes made for reasons of clarity and consistency, the deletion of obsolete provisions, the reorganization of sections, and substantive amendments made to update and strengthen the original purposes of the Paperwork Reduction Act of 1980. As stated in report accompanying the S. 244 (S. Rpt. 104-8):

"To the extent the legislation is a restatement of the 1980 Act, as amended in 1988, the scope, underlying purposes, basic requirements, and legislative history of the law are unchanged. To the extent the legislation modifies provisions in current law, the amendments are made strictly for the purposes described in this report, and in order to further the purposes of the original law." (S. Rpt. 104-4 at page 3)

The report accompanying H.R. 830, H. Rpt. 104-37, expressed essentially the same views regarding the preservation of the Act's legislative history. (See, H. Rpt. 104-37 at page 35).

With respect to the views expressed in the reports accompanying S. 244 and H.R. 830 regarding the effect of the adopted format of

both bills, a recodification of chapter 35 of title 44, United States Code, the conferees adopt and reiterate the positions expressed by those reports. Amendments to current law effected by this conference agreement are done for the purposes subsequently described in this Joint Explanatory Statement.

2. Definition of "collection of information".

The Senate bill contained a modified definition of "collection of information", which including adding a cross-reference to 35 U.S.C. 3518(c)(2) relating to the exclusion of certain types of collections of information from coverage under chapter 35 of Title 44.

The House amendment contained no similar modification to existing law.

The House recedes.

The conferees expressly note that the addition of the cross-reference to 35 U.S.C. 3518(c)(2) within the definition of the term "collection of information" is not intended to reflect any substantive change to existing law or to serve as a justification for any change by Federal agencies in the use of the authority granted by section 3518(c)(2).

3. Definition of "information system".

The Senate bill contained an expanded definition of "information system".

The House amendment added the phrase "and processes, automated or manual".

The House recedes.

4. Definition of "information technology".

The Senate bill contained a new definition of "information technology" (44 U.S.C. 3502(9)).

The House amendment contained a similar definition that did not contain some of the cross-references.

The House recedes.

The conferees note that the definition of "information technology" contained in section 3502(9) is intended to preserve the exemption for intelligence and military information technology that is found in current law, specifically the definition of "automatic data processing", Section 3502(2). For the purpose of mere statutory simplification, the current exemption was incorporated by a simple reference to the so-called "Warner Amendment" to the Brooks Automatic Data Processing Act, Section 111(a)(3)(C) (i) through (v) of the Federal Property and Administrative Services Act of 1947 (40 U.S.C. 759(a)(3)(C)(i)-(v)). As under current section 3502(2), the exemption applies to information technology, the function, operation, or use of which involves activities specified in the "Warner Amendment", namely: intelligence activities; cryptologic activities related to national security; the direct command and control of military forces; equipment which is an integral part of a weapon or weapons system; or information technology that is critical to the direct fulfillment of military or intelligence missions (but excludes information technology used for routine administrative and business applications, such as payroll, finance, logistics, and personnel management).

In this regard, the conferees note that OMB has not interpreted the authority granted by section 3504(f)(1) of the existing Paperwork Reduction Act to oversee the management of either classified or unclassified information which would typically be resident in information technology that itself is not subject to OMB's oversight under the Act (e.g., an information system which is an integral part of a weapons system). Given the express intent to preserve existing law regarding the exclusion of information technology covered by the so-called "Warner Amendment" to the Brooks Automatic Data Processing Act, the conferees would note that the changes made by this Act do not grant any new authority or diminish any existing authority for OMB to develop or over-

see security policies, principles, or guidelines applicable to information resident in information technology subject to the "Warner Amendment" exemption. Similarly, the amendments made by this definition change are not intended to impair OMB's budgetary oversight of such information technology or its other existing authorities.

With regard to the modifications being made to section 3504(f)(3) of existing law, the conferees intend that revised section 3504(g)(2) continue to be implemented consistent with the provisions of the Computer Security Act of 1987 (40 U.S.C. 759), which assigns to the National Institute of Standards and Technology responsibility for developing technical, management, physical, and administrative policies, principles, standards, and guidelines for the cost-effective security and privacy of sensitive information in Federal computer systems subject to that act.

5. Definition of "recordkeeping requirement".

The Senate bill contained a modified definition designed to make explicit the Act's coverage of so-called third-party recordkeeping requirements to correct the ambiguity that lead to the adverse 1990 Supreme Court decision in *Dole v. United Steelworkers of America*.

The House amendment contained additional detail in this regard.

The Senate recedes with a clarifying amendment.

6. Office of Information and Regulatory Affairs—Qualifications of Administrator and Employees.

The Senate bill added a new subsection (c) to section 3503 regarding the professional qualifications of the Administrator of the Office of Information and Regulatory Affairs (OIRA) and the employees of that office.

The House amendment contained no similar provision.

The Senate recedes.

The conferees note that the purpose of this provision was to assure that adequate attention was given to the full range of responsibilities assigned to OIRA and its Administrator by the Paperwork Reduction Act of 1980, as amended. Such considerations are appropriate in the Presidential selection of a nominee for OIRA Administrator and in the Senate's consideration of that nominee, while recognizing the practical realities of requiring that a "qualified" candidate have substantial capabilities over the very broad range of responsibilities assigned to OIRA by the Act. Such practical considerations should also apply to the Administrator's selection of OIRA employees as well as the utility of having more narrowly focused "subject matter specialists" available on the OIRA staff.

7. Authority and functions of the Director—Burden reduction as an objective of information resources management.

The Senate bill contained a substantial modification to section 3504(a)(1) regarding the responsibilities of the OMB Director to oversee the Government's information resources with the objective of improving the effectiveness of Federal agency operations.

The House amendment contained no similar provision.

The House recedes with an amendment that adds to the Senate provision the concept that information resources management is also a substantial tool to minimize the burdens which the Government imposes on the public.

8. Authority and functions of the Director—Approval of proposed collections of information.

The Senate bill contained a modification to section 3504(a)(1)(B) relating to the authority of the OMB Director to review and

approve (or disapprove) a collection of information being proposed by an agency.

The House amendment includes a similar provision which retains the explicit reference to "review and approval" existing in current law.

The Senate recedes.

The conferees reiterate the existing interpretation of the authority granted to the OMB Director under section 3504(a)(1)(B): that the power to "approve" a proposed agency paperwork requirement is the power to disapprove such a proposed collection. This has been the consistent interpretation of this provision since the enactment of the 1980 Act.

9. Authority and functions of the Director—Standard of Review for Proposed Agency Collections of Information.

The Senate bill amended section 3504(c)(1) regarding the OMB Director's authority to review and approve a proposed agency collections of information, seeking to cross-reference, and paraphrase, section 3508 which sets forth the Act's fundamental standard for the review of such a proposed collection of information by both the proposing agency and the OMB Director.

The House amendment included a direct statement of the OMB Director's authority to review and approve proposed agency collections of information.

The Senate recedes.

10. Authority and functions of Director—Coordination with Office of Federal Procurement Policy regarding payment.

The Senate bill contains a modification to section 3504(c)(2) relating to establishing a formal coordination between OIRA and the Office of Federal Procurement Policy (OFPP) regarding minimizing paperwork burdens associated with the Federal procurement process.

The House amendment contained a similar provision, but specifically identified the burdens associated with the payment of contractors for work performed.

The Senate recedes.

The conferees note that the Prompt Payment Act Amendments of 1988 specifically encourage the use of electronic fund transfers for the payment of contractors. More recently, the Federal Acquisition Streamlining Act of 1994 (FASA) continues this emphasis on increasing the use of electronic fund transfers by designating electronic payment of contractors as one of the benchmarks for determining the full capability of FACNET. Finally, the conferees note that simplified procedures for solicitation and award of contracts below the Simplified Acquisition Threshold (SAT), \$100,000, being proposed as amendments to the Government-wide Federal Acquisition Regulation (FAR), should include authority for equally expedited contract payment procedures for work performed.

11. Authority and functions of Director—Special small business size standard for Paperwork Reduction Act.

The House amendment modified the OMB's Director's responsibilities under section 3504(c) by adding a new paragraph (6) which placed a special emphasis on minimizing the burden on small businesses with 50 or fewer employees. New section 3504(c)(6) was added as a floor amendment to the reported House bill, H.R. 830.

The Senate bill contains no similar provision.

The House recedes.

The conferees note that the section 3 of the Small Business Act provides Government-wide authority for the Small Business Administration (SBA) to establish by regulation numerical size standards under which a business concern will be recognized as a small business concern. SBA has established

specific size standards for various types of business concerns in consonance with the system of standard industrial classification (SIC) codes, used to categorize business activity. Size standards are generally established by number of employees for firms engaged in manufacturing. Size standards for firms providing services are established on the basis of annual gross receipts averaged over a three-year period.

Statutorily-established small business size standards have generally been avoided by the Congress because of their rigidity. If enacted, such a statutory size standard has generally been used to establish with certainty a "small business" exception to the statute's general applicability or a threshold for a phased-in application.

12. Assignment of tasks and deadlines—Government-wide paperwork burden reduction goals.

The Senate bill amends section 3505(a) to provide for a 5 percent Government-wide goal for the reduction of paperwork burdens imposed by the Government on the public.

The House amendment contains a 10 percent Government-wide paperwork burden reduction goal.

The Senate recedes with an amendment. The conference agreement provides for a 10 percent goal for each of the fiscal years 1996 and 1997 and a 5 percent goal for each of the fiscal years 1998 through 2001.

The conferees note that the Government-wide paperwork reduction goal is calculated on the basis of a "baseline" which is the aggregate paperwork burden imposed during the prior fiscal year. The conferees also note that individual agency goals negotiated with OIRA may differ depending on the agency's potential to reduce the paperwork burden such agency imposes on the public. Goals negotiated with some agencies may substantially exceed the Government-wide goal, while those negotiated with other agencies may be substantially less.

13. Assignment of tasks and deadlines—Pilot projects to test alternative practices to minimize paperwork burdens.

The Senate bill amends Section 3505 to provide statutory authority for the OMB Director to establish voluntary pilot programs to test alternative policies, practices, regulations and procedures to minimize the information collection burden imposed on particular segments of the public.

The House amendment included a new subsection (b) to Section 3505, which specifically authorized the OMB Director to waive the application of any regulation or administrative directive needed to undertake a burden reduction pilot project. Notice of such waiver was required to the public and the Congress.

The Senate recedes with an amendment. The conference agreement does not provide any authority for the OMB Director to unilaterally waive any regulation in support of a burden reduction pilot project. If a regulation must be waived in support of such a pilot project, such regulatory waiver must be: (1) permissible under the statutory authority underpinning the regulation; and (2) implementation through a formal regulatory change, meeting the same Administrative Procedure Act standards as used to promulgate the regulation proposed for waiver.

14. Federal agency responsibilities—DOD and Military departments authorized to designate multiple "senior officials".

The Senate bill preserves existing law in section 3506(a)(2)(B) which permits the Secretary of Defense and the Secretary of a Military Department to designate multiple "senior officials" responsible for the Act's implementation within the Office of the Secretary of Defense or that Military Department. The Senate bill amends existing law to

require that the respective duties of each such "senior official" be clearly delineated if either the Secretary of Defense or a Service Secretary should choose to designate more than one such "senior official". Under current law, only the Secretary of a Military Department has a statutory obligation to delineate the respective duties of multiple "senior officials" designated by such officer.

The House amendment uses the terminology of "a senior official", under the legislative drafting convention that the singular provides for the plural, unless expressly prohibited. The House amendment preserved the statutory anomaly exempting the Secretary of Defense from the requirement to delineate the respective duties of multiple "senior officials" within the Office of the Secretary of Defense, (although three such "senior officials" are currently designated and their respective duties are delineated).

The House recedes.

15. Federal agency responsibilities—Cross-reference to "Fast Track" Procedures under Section 3507(j).

The House amendment to section 3506(c)(2)(A) qualifies the general requirement to provide a 60-day period for public comment on a proposed collection of information with the phrase "except for good cause" to provide broad authority to the OMB Director to waive the public participation requirement when necessary.

The Senate bill amends section 3507(j), which authorizes the so-called "Fast Track" review procedures (that is, the very expedited review of a proposed collection of information without any opportunity for public comment prior to approval), to obtain the same statutory objective sought by the House amendment.

The House recedes with an amendment. The conference agreement provides for adding to section 3506(c)(2)(A) a cross-reference to the "Fast Track" authority provided in section 3507(j).

16. Federal agency responsibilities—Record retention period to be specified for any recordkeeping requirement.

The House amendment adds a provision to Section 3506(c)(3) which would require that any recordkeeping requirement specify the length of time such records must be maintained.

The Senate bill does not contain a similar provision.

The Senate recedes.

17. Federal agency responsibilities—Special small business size standard for Paperwork Reduction Act.

The House amendment adds a provision to Section 3506(c) relating to agency responsibilities regarding minimizing paperwork burdens imposed on the public by requiring that a special emphasis be placed on minimizing the burden on small businesses with 50 or fewer employees. New Section 3506(c)(4) was added as a floor amendment to the reported House bill, H.R. 830.

The Senate bill contains no similar provision.

The House recedes.

The conferees note that section 3 of the Small Business Act provides Government-wide authority for the Small Business Administration (SBA) to establish by regulation numerical size standards under which a business concern will be recognized as a "small business concern." SBA has established specific size standards for various types of business concerns in consonance with the system of standard industrial classification (SIC) codes, used to categorize business activity. Size standards are generally established by number of employees for firms engaged in manufacturing. Size

standards for firms providing services are established on the basis of annual gross receipts averaged over a three year period.

Statutorily-established small business size standards have generally been avoided by the Congress because of their rigidity. If enacted, such a statutory size standard has generally been used to establish with certainty a "small business" exception to a statute's general applicability or to define a threshold for a phased-in application.

18. Federal agency responsibilities—Information dissemination standards.

The Senate bill adds a new Section 3506(d) which establishes information dissemination standards for the various Federal agencies.

The House amendment contains essentially similar provisions, except that the House provision requires that: (a) the public have "equal" as well as "timely" and "equitable" access to the information collected by the agency; and (b) access be made available to the "underlying data", if an agency provides information to the public in an electronic format.

The Senate recedes with an amendment. The conference agreement adopts the provision of the House amendment assuring public access to "underlying data" if a agency chooses to furnish information in an electronic format.

The conferees concluded that the word "equal" was unnecessary in the agreed-upon text of section 3506(d)(1), given that the statutory obligation for an agency ensure that the public has "timely" and "equitable" access to information in the possession of the agency includes the obligation to make such information available on a non-discriminatory and non-exclusive basis to any public or private entity for any lawful purpose. This obligation is sufficient to prevent agencies from discriminating against or otherwise disadvantaging any class of users, particularly commercial users.

19. Federal agency responsibilities—Notice of Changes Regarding Information Dissemination Products.

The House amendment adding a new section 3506(d), which establishes information dissemination standards for Federal agencies, includes a provision requiring an agency to provide adequate public notice when initiating, substantially modifying, or terminating a significant information dissemination project.

The Senate bill does not contain a similar provision.

The House recedes.

20. Federal agency responsibilities—User Fees.

The House amendment adding a new section 3506(d), which establishes information dissemination standards for Federal agencies, includes a provision specifying procedures under which an agency head can petition the OMB Director to authorize user fees in excess of the cost of dissemination, the general rule established by section 3506(d)(4)(D).

The Senate bill does not contain a similar provision.

The House recedes.

21. Federal agency responsibilities—Information Technology Management.

The Senate bill requires that each Federal agency take certain actions to "ensure" responsibility for effective management of its information technology resources.

The House amendment requires each Federal agency to "assume" responsibility for an identical set of management actions.

The Senate recedes.

22. Public Information collection activities; submission to Director; approval and delegation—Unspecified "Fast Track" Alternative.

The Senate bill amends section 3507(j) of existing law to provide additional flexibility in the so-called "Fast Track" review process, under which a proposed collection of information can be reviewed on a very expedited schedule without any opportunity for public notice or comment prior to approval by the OMB Director.

The House amendment sought to provide the same additional flexibility by amending section 3507(b) to include any additional waiver of the normal review process "for good cause".

The House recedes.

23. Public information collection activities; submission to Director; approval and delegation—Duration of "Default" Approval.

The Senate bill requires the assignment of a valid control number permitting an agency to use a collection of information for a period of not more than two years, if the OMB Director fails to take action regarding a proposed collection of information (not contained in a rule) within a specified 60-day period.

The House amendment contained an identical provision, except that the control number remained valid for not more than one year.

The Senate recedes.

24. Public information collection activities; submission to Director; approval and delegation—Standard for disapproval of a collection of information contained in a final agency rule.

The House amendment to new section 3507(d), which specifies procedures for the review of a proposed collection of information contained in a proposed rule, includes a modification to section 3507(d)(4)(C), to make more explicit the standard of review to be used by the OMB Director.

The Senate bill makes use of the language found in existing law.

The House recedes.

25. Public information collection activities; submission to Director; approval and delegation—Disclosure of written communications.

The Senate bill expands the Act's current requirement to disclose any written communication regarding a proposed collection of information between a person not employed by the Federal Government and the OIRA Administrator or any OIRA employee to include the "Office of the Director" of OMB.

The House amendment maintains current law.

The Senate recedes.

26. Public information collection activities; submission to Director; approval and delegation—"Whistleblower" Protection.

The Senate bill includes a new provision at section 3507(e)(3)(B), which provides anonymity to a communication received by OIRA from a private sector "whistleblower", regarding an unapproved (or so-called "bootleg") collection of information.

The House amendment contained a whistleblower protection provision that was not restricted to "bootleg" collections of information.

The House recedes with an amendment.

The conference agreement provides the "whistleblower" protection to a communication regarding a collection of information that does not display a control number that is currently in effect. Thus, the provision now provides protection regarding communications relating collections of information that were never approved as well as those for which an approval has expired.

27. Public Information collection activities; submission to Director; approval and delegation—Improved "Fast Track" Procedures.

The Senate bill amends 3507(j) of existing law to provide additional flexibility in the

so-called "Fast Track" review process, under a proposed collection of information can be reviewed on an very expedited schedule without any opportunity for public notice or comment prior to approval by the OMB Director.

The House amendment reflects existing law.

The House recedes.

The conferees note that no instance has been identified in the 15 years of experience under the Act in which its "Fast Track" review procedures have not been made available to an agency under the current version of section 3507(j), or the proposed collection of information has not been cleared on an schedule that completely accommodated the agency's exigent circumstances.

28. Determination of necessity for information; hearing.

The Senate bill modifies section 3508 of the Act, which establishes the fundamental standard used by the Director in determining whether to approve a collection of information being proposed by an agency.

The House amendment reflects existing law.

The Senate recedes.

29. Establishment and operation of Government Information Locator Service—Specific exclusion for CIA "operational files".

The Senate bill includes a provision which provides for the establishment and operation of the Government Information Locator Service (GILS). The Senate provisions includes an explicit exclusion from GILS for "operational files" as defined in the Central Intelligence Agency Information Act.

The House amendment contains an identical provision regarding GILS, but does not include the specific exclusion for the CIA's "operational files".

The House recedes.

30. Public Protection.

The Senate bill contains a provision which changes the Act's current "public protection" provision by requiring a collection of information subject to the Act display a notice that a person is not required to respond to the collection of information unless it displays a control number which is valid.

The House amendment contains a provision which clarifies and strengthens the Act's current "public protection" provision by enabling a person to assert this protection at any time during an agency administrative process or any subsequent judicial review of an agency action involving a penalty.

The Senate recedes with an amendment. The conference agreement clarifies and strengthens the Act's "public protection" provision by explicitly providing that the protection provided by the section may be asserted or raised by a person in the form of a complete defense, bar or other manner, at any time during a agency administrative process or any subsequent judicial review. The protection provided by the section applies if the agency fails to display a valid control number, or inform the person that they are not required to respond to a collection of information unless it displays a valid control number.

For collections of information contained in a rule, agencies must provide the required information in a manner reasonably calculated to inform the public. Notice may be provided in the preamble to a final rule containing the collection of information, or in a general notice in the volume of the Code of Federal Regulation in which the agency's regulations appear.

The conference agreement also provides for the inclusion of a definition of "penalty", a term used in section 3512. The new statutory definition of "penalty" is substantially identical to the definition of "penalty" found in

the Act's implementing regulation, at 5 C.F.R. 1320.7(m).

The conference agreement further provides for an additional modification to section 3506(c)(1)(B), which specifies the information to be provided to the public with respect to an agency collection of information. Agencies are not required to inform recipients of a collection of information that: (a) section 3507(a) prohibits an agency from conducting or sponsoring an unapproved collection of information; and (b) section 3512 requires an agency to inform a person who is to respond to a collection of information they are not required to do so unless it displays a valid control number.

31. Responsiveness to Congress—Annual Report and Remedial Program Regarding Agencies Failing to Attain Paperwork Burden Reduction Goals.

The Senate bill amended section 3514(a)(1) of the Act regarding the content of the report submitted annually to Congress by the OMB Director relating to agency compliance with the Act.

The House amendment contains a substantially identical provision which includes an additional requirement to identify those agencies that have failed to attain their assigned paperwork burden reduction goals during the fiscal year covered by the report, the reasons for their failure to attain such goals; and the agency's proposed remedial program, if any.

The Senate recedes with a clarifying amendment.

32. Consultation with other agencies and the public.

The Senate bill contains a provision permitting any person to request the OMB Director to determine whether a collection of information is in compliance with the Act's requirements, specifying response times to such requests; and empowering the Director to seek any appropriate remedial action.

The House amendment contains a substantially identical provision, but unlike the Senate bill requires that the person making the request must be a recipient of the collection of information at issue.

The House recedes.

33. Effect on existing laws and regulations.

The Senate bill includes a provision, section 3818(c), substantially identical to existing law which specifies certain classes of collections of information that are exempt from the Act's coverage.

The House amendment makes a number of additional modifications to this provision of existing law.

The House recedes.

34. Authorization of Appropriations.

The Senate bill amends section 3520 providing a five-year authorization of appropriations for OIRA for the Fiscal Years 1996 through 2000, at the rate of \$8 million per year.

The House amendment provides a permanent authorization of appropriations, specifying "such sums as may be necessary" rather than a fixed amount.

The House recedes an amendment. The conference agreement provides for a six-year authorization of appropriations for OIRA, for fiscal years 1996 through 2001, at \$8 million for each fiscal year.

Burden reduction regarding the Quarterly Financial Report Program at the Bureau of the Census (Sec. 3)

The Senate bill contained a provision (sec. 103) that would require the Bureau of the Census within the Department of Commerce to undertake a demonstration program to reduce the burden imposed on firms, especially small businesses, required to participate in the survey used to prepare the Quarterly Fi-

nancial Report for Manufacturing, Mining, and Trade Corporations

The House amendment contained no similar provision.

The House recedes with an amendment.

The conference agreement amends section 91 of title 13, United States Code, the statutory authorization for the survey, to:

(a) exempt firms from participation for specified periods, after they have fully participated in the survey for a complete cycle (eight consecutive quarters of reporting);

(b) expand the use of statistical sampling techniques to select for survey participation; and

(c) assure small businesses selected to participate easy access to advise and similar assistance, including the establishment of a toll-free telephone number.

Effective date (Sec. 4)

The Senate bill contains a provision (sec. 106) which establishes the effective date of the Paperwork Reduction Act of 1995 as June 30, 1995.

The House amendment contains a provision (sec. 3) which establishes the Act's effective date as October 1, 1995.

The Senate recedes with a clarifying amendment.

The conference agreement provides that:

(a) except as otherwise provided, the Paperwork Reduction Act of 1995 shall take effect on October 1, 1995; (b) section 3520, as amended, providing authorization for OIRA's appropriation, shall become effective on the date of enactment; (c) for each collection of information for which there is a valid OMB control number in effect on September 30, 1995, the amendments to chapter 35 of title 44, shall take effect on the date of the first renewal or modification to that collection of information or on the date of the expiration of its OMB control number; and (d) prior to such renewal, modification, or expiration of its OMB control number, such collection of information shall be subject to the provisions of chapter 35 of title 44, United States Code, as in effect on September 30, 1995.

PROVISIONS NOT ADOPTED

Oregon Option proposal

The Senate bill contains a provision (sec. 104), added as an amendment to the bill as reported, which would express a series findings and a statement of support on the part of the Senate regarding continuation of an on-going demonstration program of inter-governmental cooperation between the Federal Government and State of Oregon and its local governments, referred to as the "Oregon Option".

The House amendment contains no similar provision.

The Senate recedes.

Termination of reporting requirements

The Senate bill contains a provision (sec. 105), added as an amendment to the bill as reported, which would terminate all statutorily-mandated reports by the Executive Branch to the Congress, except those required by the Inspector General Act of 1978 and the Chief Financial Officers Act of 1990, five years after the date of enactment of the provision.

The House amendment contains no similar provision.

The Senate recedes.

Federal Report Elimination and Modification Act of 1995

The Senate bill contains a Title II, the "Federal Report Elimination and Modification Act of 1995", added as an amendment to the bill as reported, which would eliminate or reduce the burden of 212 statutorily-mandated reports by the Executive Branch to the Congress.

The House bill contains no similar provisions.

The Senate recedes.

BILL CLINGER,
JOHN M. MCHUGH,
DAVID MCINTOSH,
JON FOX,
CARDISS COLLINS,
COLLIN C. PETERSON,
BOB WISE,

Managers on the Part of the House.

WILLIAM V. ROTH, Jr.,
BILL COHEN,
THAD COCHRAN,
JOHN GLENN,
SAM NUNN,

Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. FOWLER (at the request of Mr. ARMEY) for today, on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. SCHROEDER) to revise and extend their remarks and include extraneous material:)

Mr. DEFAZIO, for 5 minutes, today.

Mr. WYNN, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. STUPAK, for 5 minutes, today.

Mr. POMEROY, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

Mr. MILLER, for 5 minutes, today.

Ms. PELOSI, for 5 minutes, today.

Mrs. SCHROEDER, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

(The following Members (at the request of Mr. WELDON of Pennsylvania) to revise and extend their remarks and include extraneous material:)

Mr. HOSTETTLER, for 5 minutes, on April 4.

Mr. TIAHRT, for 5 minutes, on April 4.

Mr. BARTLETT of Maryland, for 5 minutes, on April 4.

Mr. LATHAM, for 5 minutes, on April 4.

Mr. WELDON of Pennsylvania, for 5 minutes, today.

Mr. RIGGS, for 5 minutes each day, today and on April 4.

Mr. BILIRAKIS, for 5 minutes each day, on April 4, 5, and 6.

Mrs. SMITH of Washington, for 5 minutes, on April 4.

Mr. SALMON, for 5 minutes, on April 4.

Mr. SAXTON, for 5 minutes each day, on April 4 and 6.

Mr. ROHRBACHER, for 5 minutes, today.

Mr. SMITH of Michigan, for 5 minutes each day, on April 4, 5, and 7.

Mr. HOKE, for 5 minutes, on April 4.

Mr. CHABOT, for 5 minutes, today.

Mr. SCARBOROUGH, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. SAXTON, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. SMITH of Michigan, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. TIAHRT, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. HOKE, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. WYNN, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. HUTCHINSON, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. EWING, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. BARTLETT of Maryland, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. CHABOT, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. FOX of Pennsylvania, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. ARCHER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. SCHROEDER) and to include extraneous matter:)

Mr. PALLONE.

Ms. PELOSI.

Mr. KENNEDY of Rhode Island.

Ms. ROYBAL-ALLARD.

Mr. MURTHA.

Mr. UNDERWOOD.

Mr. STUDDS.

Mr. SKAGGS.

Mr. DIXON.

(The following Members (at the request of Mr. WELDON of Pennsylvania) and to include extraneous matter:)

Mr. TALENT.

Mr. CALLAHAN.

Mrs. KELLY.

Mr. WELDON of Pennsylvania.

Mr. COOLEY.

Mr. WOLF.

(The following Members (at the request of Mr. ORTIZ) and to include extraneous matter:)

Mrs. SCHROEDER.

Mr. SMITH of New Jersey.

Mr. ENGEL.

Mr. EWING.

Mr. BONILLA.

Mr. TEJEDA.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 464. An act to make the reporting deadlines for studies conducted in Federal court demonstration districts consistent with the deadlines for pilot districts, and for other purposes; to the Committee on the Judiciary; and

S. 532. An act to clarify the rules governing venue, and for other purposes; to the Committee on the Judiciary.

ADJOURNMENT

Mr. ORTIZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 39 minutes p.m.), the House adjourned until tomorrow, Tuesday, April 4, 1995, at 9:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

654. A communication from the President of the United States, transmitting his request to make available emergency appropriations totaling \$21,975,000 in budget authority for the Department of Health and Human Services, also a request to make available emergency appropriations totaling \$14,415,000 in budget authority for the Department of Agriculture, and to designate the amounts made available as emergency requirements pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, pursuant to 31 U.S.C. 1107 (H. Doc. No. 104-54); to the Committee on Appropriations and ordered to be printed.

655. A letter from the Comptroller, Under Secretary of Defense, transmitting a report of a violation of the Anti-Deficiency Act which occurred at the Naval Sea Systems Command, Arlington, VA, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

656. A letter from the Director, Defense Finance Accounting Service, transmitting notification that the Defense Finance and Accounting Service is initiating multifunction cost comparison studies at its centers in Cleveland, OH; Columbus, OH; Denver, CO; Indianapolis, IN; and Kansas City, MO, pur-

suant to 10 U.S.C. 2304 note; to the Committee on National Security.

657. A letter from the Chairman, National Credit Union Administration, transmitting the 1995 annual report of the National Credit Union Administration, pursuant to 12 U.S.C. 1752a(d); to the Committee on Banking and Financial Services.

658. A letter from the Chairperson, National Council on Disability, transmitting the Council's annual report volume 15, fiscal year 1994, pursuant to 29 U.S.C. 781(a)(8); to the Committee on Economic and Educational Opportunities.

659. A letter from the Secretary of Education, transmitting a copy of a report entitled, "Summary of Chapter 2 Annual Reports 1992-1993"; to the Committee on Economic and Educational Opportunities.

660. A letter from the Nuclear Waste Technical Review Board, transmitting the Board's findings, conclusions, recommendations relating to high-level radioactive waste or spent nuclear fuel, pursuant to 42 U.S.C. 10268; to the Committee on Commerce.

661. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Air Force's proposed lease of defense articles to Singapore (Transmittal No. 184-95), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

662. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed lease of defense articles to Switzerland (Transmittal No. 17-95), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

663. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance [LOA] to Spain for defense articles and services (Transmittal No. 95-20), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

664. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed license for the export of major defense equipment and services sold commercially to French Guinea (Transmittal No. DTC-14-95), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

665. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting text of agreements in which the American Institute in Taiwan is a party between January 1 and December 31, 1994, pursuant to 22 U.S.C. 3311(a); to the Committee on International Relations.

666. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of a report entitled, "US-Hong Kong Policy Act Report"; to the Committee on International Relations.

667. A letter from the Executive Director, Advisory Council on Historic Preservation, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1994, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

668. A letter from the Director for Morale, Welfare and Recreation Support Activity, Department of the Navy, transmitting the annual report of the retirement plan for civilian employees of the U.S. Marine Corps morale, welfare and recreation activities, the Morale, Welfare and Recreation Support Activity, and miscellaneous nonappropriated fund, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Reform and Oversight.

669. A letter from the Director, Selective Service System, transmitting a report of activities under the Freedom of Information Act for calendar year 1994, pursuant to 5

U.S.C. 552(d); to the Committee on Government Reform and Oversight.

670. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1994, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

671. A letter from the Secretary of the Interior, transmitting a copy of the report "Outer Continental Shelf (OCS) Natural Gas and Oil Resource Management Program: Cumulative Effects, 1987-1991," to the Committee on Resources.

672. A letter from the President, American Academy of Arts and Letters, transmitting the annual report of the activities of the American Academy of Arts and Letters during the year ending December 31, 1994, pursuant to section 4 of its charter (39 Stat. 51); to the Committee on the Judiciary.

673. A letter from the Chief Justice, Judicial Conference of the United States, transmitting a draft of proposed legislation entitled, "Federal Courts Improvement Act of 1995"; to the Committee on the Judiciary.

674. A letter from the Chairman, Federal Maritime Commission, transmitting the Commission's annual report for the fiscal year 1994, pursuant to 46 U.S.C. app. 1118; to the Committee on Transportation and Infrastructure.

675. A letter from the Board of Trustees, Federal Hospital Insurance Trust Fund, transmitting the 1995 annual report of the Board of Trustees of the Federal Hospital Insurance Trust Fund, pursuant to section 1817(b) of the Social Security Act, as amended (H. Doc. No. 104-56); to the Committee on Ways and Means and ordered to be printed.

676. A letter from the Board of Trustees, Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, transmitting the 1995 annual report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds, pursuant to section 201(c)(2) of the Social Security Act, as amended (H. Doc. No. 104-57); to the Committee on Ways and Means and ordered to be printed.

677. A letter from the Comptroller General, General Accounting Office, transmitting the results of the audit of the Panama Canal Commission's 1994 and 1993 financial statements, pursuant to 31 U.S.C. 9106(a); jointly, to the Committees on Government Reform and Oversight and National Security.

678. A letter from the Deputy and Acting CEO, Resolution Trust Corporation, transmitting a list of property that is covered by the Corporation as of September 30, 1994, pursuant to Public Law 101-591, section 10(a)(1) (104 Stat. 2939); jointly, to the Committees on Resources and Banking and Financial Services.

679. A letter from the Administrator's of Federal Aviation Administration and National Aeronautics and Space Administration, transmitting a joint report to Congress on the progress being made under the Subsonic Noise Reduction Technology Program, pursuant to 49 U.S.C. app. 1353 note; jointly, to the Committees on Transportation and Infrastructure and Science.

680. A letter from the Board of Trustees, Federal Supplementary Medical Insurance Trust Fund, transmitting the 1995 annual report of the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund, pursuant to section 1841(b) of the Social Security Act, as amended (H. Doc. No. 104-55); jointly, to the Committees on Ways and Means and Commerce, and ordered to be printed.

681. A letter from the Comptroller General, General Accounting Office, transmitting the

results of the audit of the Pension Benefit Guaranty Corporation's 1994 and 1993 financial statements, pursuant to 31 U.S.C. 9106(a); jointly, to the Committees on Government Reform and Oversight, Economic and Educational Opportunities, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MCINNIS: Committee on Rules. House Resolution 125. Resolution providing for the consideration of the bill (H.R. 1271) to provide protection for family privacy (Rept. 104-97). Referred to the House Calendar.

Mr. DIAZ-BALART: Committee on Rules. House Resolution 126. Resolution providing for the consideration of the bill (H.R. 660) to amend the Fair Housing Act to modify the exemption from certain familial status discrimination prohibitions granted to housing for older persons (Rept. 104-98). Referred to the House Calendar.

Mr. CLINGER: Committee of Conference. Conference report on S. 244. An act to further the goals of the Paperwork Reduction Act to have Federal agencies become more responsible and publicly accountable for reducing the burden of Federal paperwork on the public, and for other purposes (Rept. 104-99). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COOLEY:

H.R. 1375. A bill to provide for the extension of expiring term grazing permits for lands within the National Forest System pending the completion by the Forest Service of final agency action in connection with the renewal of such permits; to the Committee on Agriculture, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DIXON (for himself, Mr. COLLINS of Georgia, Mr. ROSE, Mr. COOLEY, Mr. SMITH of Texas, Mr. COSTELLO, Mr. DAVIS, Mr. FRANK of Massachusetts, Mr. BERMAN, Mrs. SCHROEDER, Mr. HEFLEY, and Mr. DURBIN):

H.R. 1376. A bill to amend title 10, United States Code, to provide for the award of the Purple Heart to members of the Armed Forces killed or wounded due to friendly fire while engaged in peacekeeping activities; to the Committee on National Security.

By Mr. GALLEGLY (for himself, Mr. MCCOLLUM, Mr. SENSENBRENNER, Mr. ARCHER, Mr. WELDON of Pennsylvania, Mr. GOODLATTE, Mr. KIM, Mrs. SEASTRAND, Mr. SAXTON, Mr. SHAYS, Mr. MCKEON, Mr. ROHRBACHER, Mr. EWING, Mr. HANCOCK, Mr. CONDIT, Mr. BAKER of California, Mr. BILBRAY, Mr. CALVERT, Mr. RIGGS, Mr. BONO, Mr. RADANOVICH, Mr. PACKARD, Mr. BRYANT of Tennessee, Mr. HERGER, Mr. HEFLEY, Mr. STUMP, Mr. ROYCE, Mr. DOOLITTLE, Mr. HUNTER, Mr. SHADEGG, Mr. HOKE, and Mrs. ROUKEMA):

H.R. 1377. A bill to amend the Immigration and Nationality Act to authorize States to

deny public education benefits to aliens not lawfully present in the United States; to the Committee on the Judiciary.

By Mr. GIBBONS:

H.R. 1378. A bill to require the Secretary of State to publish the names of U.S. citizens who renounce their citizenship; to the Committee on the Judiciary.

By Mr. JOHNSON of South Dakota:

H.R. 1379. A bill to require the Secretary of Agriculture to issue new term permits for grazing on National Forest System lands, to replace previously issued term grazing permits that have expired, soon will expire, or are waived to the Secretary, and for other purposes; to the Committee on Agriculture, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MCCOLLUM (for himself, Mr. LEACH, Mrs. ROUKEMA, Mr. BEREUTER, Mr. BAKER of Louisiana, Mr. ROYCE, Mr. WELLER, Mr. EHRLICH, Mr. CHRYSLEY, Mr. CREMEANS, and Mr. HEINEMAN):

H.R. 1380. A bill to provide a moratorium on certain class action lawsuits relating to the Truth in Lending Act; to the Committee on Banking and Financial Services.

By Mrs. MEEK of Florida:

H.R. 1381. A bill to establish a national program to stimulate urban economic redevelopment through environmental remediation and restoration, as well as through the development of inner city businesses and employment in the fields of environmental response, remediation, and restoration; to the Committee on Ways and Means, and in addition to the Committees on Commerce, Economic and Educational Opportunities, National Security, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SOLOMON (for himself, Mr. BILIRAKIS, Mr. ZIMMER, and Mrs. MALONEY):

H. Con. Res. 54. Concurrent resolution expressing the sense of the Congress relating to diplomatic recognition of the Former Yugoslav Republic of Macedonia; to the Committee on International Relations.

By Mr. BRYANT of Texas:

H. Res. 127. Resolution providing for the consideration of the resolution (H. Res. 40) to amend the Rules of the House of Representatives concerning the receipt of gifts from lobbyists and other persons, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

29. By the SPEAKER: Memorial of the Senate of the Commonwealth of Virginia, relative to the Truth in Lending Act; to the Committee on Banking and Financial Services.

30. Also, memorial of the General Assembly of the Commonwealth of Virginia, relative to the Senior Nutrition Programs; to the Committee on Economic and Educational Opportunities.

31. Also, memorial of the House of Representatives of the State of Idaho, relative to opposing Idaho as a permanent repository for nuclear waste; to the Committee on Commerce.

32. Also, memorial of the Senate of the Commonwealth of Virginia, relative to memorializing Congress to refrain from mandates dealing with air pollution control programs; to the Committee on Commerce.

33. Also, memorial of the General Assembly of the State of Iowa, relative to reducing the Federal deficit; to the Committee on Government Reform and Oversight.

34. Also, memorial of the General Assembly of the Commonwealth of Virginia, relative to the financial crisis afflicting the District of Columbia; to the Committee on Government Reform and Oversight.

35. Also, memorial of the General Assembly of the Commonwealth of Virginia, relative to State-initiated amendments to the Constitution; to the Committee on the Judiciary.

36. Also, memorial of the General Assembly of the Commonwealth of Virginia, relative to the reimbursement to States of costs of services provided to illegal immigrants; to the Committee on the Judiciary.

37. Also, memorial of the House of Representatives of the State of Idaho, relative to prevention of revenue loss through mail order; to the Committee on the Judiciary.

38. Also, memorial of the Senate of the Commonwealth of Virginia, relative to the 10th amendment of the Constitution of the United States; to the Committee on the Judiciary.

39. Also, memorial of the House of Representatives of the State of Idaho, relative to approval of the National Highway System; to the Committee on Transportation and Infrastructure.

40. Also, memorial of the Senate of the Commonwealth of Virginia, relative to the high-speed rail system; to the Committee on Transportation and Infrastructure.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. STUDDS introduced a bill (H.R. 1382) to authorize the Secretary of Transportation

to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Aura*; which was referred to the Committee on Transportation and Infrastructure.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 43: Mr. DELLUMS.
H.R. 46: Mrs. KELLY, Mr. CRAPO, Mr. QUILLEN, Mr. DUNCAN, Mrs. WALDHOLTZ, and Mr. BREWSTER.
H.R. 70: Mr. CREMEANS and Mr. MARTINEZ.
H.R. 244: Mr. RANGEL.
H.R. 396: Mrs. MINK of Hawaii, Ms. NORTON, Mr. LIPINSKI, Mrs. CLAYTON, Mr. KNOLLENBERG, and Mr. HINCHEY.
H.R. 530: Mr. WHITFIELD, Mrs. ROUKEMA, Mr. ROBERTS, Mr. STUMP, and Mr. KING.
H.R. 560: Mr. DEAL of Georgia and Mr. PARKER.
H.R. 564: Mr. FIELDS of Texas.
H.R. 576: Mr. DICKEY, Mr. MCCRERY, and Mr. TAUZIN.
H.R. 577: Mr. DICKEY, Mr. MCCRERY, and Mr. TAUZIN.
H.R. 578: Mr. DICKEY, Mr. MCCRERY, and Mr. TAUZIN.
H.R. 633: Mr. DICKEY, Mr. MCCRERY, and Mr. TAUZIN.
H.R. 705: Mr. DEAL of Georgia, Mr. KIM, and Mr. BEREUTER.
H.R. 713: Mrs. COLLINS of Illinois, Mr. FARR, Mr. GENE GREEN of Texas, and Mr. HINCHEY.
H.R. 721: Mr. CLAY.
H.R. 733: Mr. CHRYSLER.
H.R. 734: Mr. CHRYSLER.
H.R. 744: Mr. ABERCROMBIE.
H.R. 789: Mr. BARTLETT of Maryland and Mr. WICKER.
H.R. 807: Mr. HERGER, Mr. HEFLEY, Mr. DORNAN, Mr. NEY, Mr. NEUMANN, Mr. TALENT, Mrs. SMITH of Washington, Mr. LARGENT, Mrs. MYRICK, Mr. HILLEARY, Mr. BARTLETT of Maryland, Mr. WELDON of Florida, Mr. GRA-

HAM, Mr. ISTOOK, Mr. CHRYSLER, Mr. FORBES, Mr. TATE, and Mr. COBURN.

H.R. 847: Mr. POSHARD, Mr. BALDACCI, and Mr. SOUDER.

H.R. 852: Ms. ROYBAL-ALLARD and Ms. WOOLSEY.

H.R. 909: Mr. GENE GREEN of Texas, Mr. UNDERWOOD, and Mr. SCHAEFER.

H.R. 940: Mrs. MINK of Hawaii, Mr. OWENS, Mr. REYNOLDS, and Mr. WILLIAMS.

H.R. 961: Mr. TAUZIN.

H.R. 977: Mr. FIELDS of Texas.

H.R. 991: Mr. UPTON, Ms. PELOSI, Ms. RIVERS, Ms. SLAUGHTER, and Mr. WAXMAN.

H.R. 1023: Mrs. KELLY and Mr. HINCHEY.

H.R. 1024: Mr. LATHAM.

H.R. 1046: Ms. SLAUGHTER.

H.R. 1099: Mr. SMITH of Texas, Mr. FUNDERBURK, Mr. MCDERMOTT, and Mr. MATSUI, and Mr. CRANE.

H.R. 1119: Mr. BARRETT of Wisconsin, Mr. DEUTSCH, and Mr. WATT of North Carolina.

H.R. 1130: Mr. ISTOOK and Mr. HANCOCK.

H.R. 1202: Mr. FARR, Mr. STOKES, Mr. LIPINSKI, Ms. FURSE, and Mr. JOHNSTON of Florida.

H.R. 1210: Mr. BORSKI.

H.R. 1262: Ms. NORTON, Mr. BONIOR, Mr. MILLER of California, Mr. FATTAH, Mr. RICHARDSON, Ms. ESHOO, Mr. SANDERS, Mr. MCDERMOTT, Mr. FARR, and Mr. LIPINSKI.

H.R. 1281: Mr. SAXTON, Mr. DEUTSCH, Mr. GEJDENSON, Mr. FROST, Mr. BERMAN, Mr. PORTER, Mr. ACKERMAN, Mr. SCHUMER, Mr. TORRES, and Mr. SERRANO.

H.R. 1294: Mr. WATTS of Oklahoma, Mr. TALENT, and Mr. EMERSON.

H.R. 1317: Mr. NEAL of Massachusetts.

H.J. Res. 64: Mr. DEAL of Georgia and Mr. KIM.

H. Con. Res. 12: Mr. MCCOLLUM and Mr. BISHOP.

H. Con. Res. 21: Mr. HILLIARD, Mr. RAMSTAD, Mr. BROWN of California, Mr. MCDERMOTT, and Mrs. THURMAN.

H. Con. Res. 35: Mr. ACKERMAN and Mr. MCDERMOTT.

H. Con. Res. 42: Mr. FRANK of Massachusetts.

H. Res. 40: Mrs. THURMAN.